

STATE OF MINNESOTA

NINETIETH SESSION — 2017

 FIFTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MAY 17, 2017

The House of Representatives convened at 10:00 a.m. and was called to order by Tony Albright, Speaker pro tempore.

Prayer was offered by Deacon Nathan E. Allen, Archdiocese of Saint Paul and Minneapolis, St. Paul, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Albright	Davnie	Hausman	Lien	O'Driscoll	Slocum
Allen	Dean, M.	Heintzeman	Lillie	Olson	Smith
Anderson, P.	Dehn, R.	Hertaus	Loeffler	Omar	Sundin
Anderson, S.	Dettmer	Hilstrom	Lohmer	O'Neill	Swedzinski
Anselmo	Drazkowski	Hoppe	Loon	Pelowski	Theis
Applebaum	Ecklund	Hornstein	Loonan	Peppin	Thissen
Backer	Erickson	Hortman	Lucero	Petersburg	Torkelson
Bahr, C.	Fabian	Howe	Lueck	Peterson	Uglem
Baker	Fenton	Jessup	Mahoney	Pierson	Urdahl
Barr, R.	Fischer	Johnson, B.	Marquart	Pinto	Vogel
Becker-Finn	Flanagan	Johnson, C.	Masin	Poppe	Wagenius
Bennett	Franke	Johnson, S.	Maye Quade	Poston	Ward
Bernardy	Franson	Jurgens	McDonald	Pryor	West
Bliss	Freiberg	Kiel	Metsa	Pugh	Whelan
Bly	Garofalo	Knoblach	Miller	Quam	Wills
Carlson, A.	Green	Koegel	Moran	Rarick	Youakim
Carlson, L.	Grossell	Koznick	Murphy, E.	Rosenthal	Zerwas
Christensen	Gruenhagen	Kresha	Murphy, M.	Runbeck	Spk. Daudt
Clark	Gunther	Kunesh-Podein	Nash	Sandstede	
Considine	Haley	Layman	Nelson	Sauke	
Cornish	Halverson	Lee	Neu	Schomacker	
Daniels	Hamilton	Lesch	Newberger	Schultz	
Davids	Hansen	Liebling	Nornes	Scott	

A quorum was present.

Mariani was excused until 4:40 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

REPORTS OF CHIEF CLERK

S. F. No. 514 and H. F. No. 729, which had been referred to the Chief Clerk for comparison, were examined and found to be not identical.

Fenton moved that S. F. No. 514 be substituted for H. F. No. 729 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 11, 2017

The Honorable Kurt Daudt
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Daudt:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 1712, relating to health occupations; modifying the requirements for collaborative community dental hygiene services; establishing requirements for collaborative community dental assisting services.

H. F. No. 22, relating to real property; exempting certain trusts from reporting requirements.

H. F. No. 593, relating to real estate appraisers; changing requirements relating to investigations, background checks, and disciplinary actions.

H. F. No. 1118, relating to real property; common interest communities; authorizing electronic delivery of cancellations of sale or resale.

H. F. No. 1732, relating to insurance; examinations by the commissioner of commerce.

H. F. No. 474, relating to health occupations; authorizing criminal background checks by the Board of Medical Practice; exempting certain physicians from criminal background checks under the Interstate Medical Licensure Compact.

H. F. No. 952, relating to health; providing for training in hearing loss care to home care provider staff and supervisors.

H. F. No. 997, relating to local government; modifying the requirements for payment of claims.

H. F. No. 106, relating to human services; modifying criteria for community medical response emergency medical technician services.

H. F. No. 678, relating to motor vehicles; establishing law enforcement memorial special license plates.

Sincerely,

MARK DAYTON
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Kurt L. Daudt
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2017 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2017</i>	<i>Date Filed 2017</i>
1020		29	10:42 a.m. May 11	May 11
	1712	30	10:43 a.m. May 11	May 11
1616		32	10:44 a.m. May 11	May 11
879		34	10:44 a.m. May 11	May 11
1549		35	10:45 a.m. May 11	May 11
	22	36	10:45 a.m. May 11	May 11
	593	37	10:45 a.m. May 11	May 11
	1118	38	10:48 a.m. May 11	May 11
	1732	39	10:49 a.m. May 11	May 11
1654		40	10:50 a.m. May 11	May 11
216		46	11:40 a.m. May 12	May 12
997		47	11:41 a.m. May 12	May 12
2008		48	11:42 a.m. May 12	May 12
	474	50	11:43 a.m. May 12	May 12
	952	51	11:45 a.m. May 12	May 12
	997	52	11:44 a.m. May 12	May 12

	106	53	11:45 a.m. May 12	May 12
1124		54	11:45 a.m. May 12	May 12
	678	55	11:49 a.m. May 12	May 12

Sincerely,

STEVE SIMON
Secretary of State

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Anderson, S., from the Committee on State Government Finance to which was referred:

H. F. No. 565, A bill for an act relating to retirement; benefit and contribution changes for Minnesota statewide and major local public employee retirement plans; increasing contribution rates; reducing certain postretirement adjustment increase rates; modifying investment return assumptions; extending amortization target dates; reducing deferred annuities augmentation; requiring a study on postretirement adjustments; making administrative changes to the Minnesota State Retirement System, Teachers Retirement Association, Public Employees Retirement Association, and St. Paul Teachers Retirement Fund Association; clarifying refund repayment procedures; modifying executive director credentials; clarifying service requirements; revising appeal procedures; modifying service credit purchase procedures; establishing new procedures for disability applications due to private disability insurance requirements; clarifying disability benefit payment provisions; modifying annual benefit limitations for federal tax code compliance; authorizing use of IRS correction procedures; clarifying benefit offsets for certain refund payments; clarifying police and fire plan coverage for certain Hennepin Healthcare System supervisors; modifying various economic actuarial assumptions; authorizing the transfer of assets and members from the voluntary statewide volunteer firefighter retirement plan to a volunteer firefighter relief association; adopting recommendations of the Volunteer Firefighter Relief Association Working Group; increasing relief association lump-sum service pension maximums; lowering certain vesting requirements for Eden Prairie Volunteer Firefighters Relief Association; modifying the Brook Park volunteer firefighters service pension level; permitting alternative allocation of fire state aid for city of Austin; establishing a tire state aid work group; modifying various Department of Human Services and Department of Corrections employment classifications eligible for correctional retirement coverage; modifying the calculation of annuities under the Minnesota State Retirement System unclassified program; revising augmentation interest rates for certain terminated privatized employees; adopting definition of the Hometown Heroes Act related to public safety officer death benefits; allowing service credit purchase and Rule of 90 eligibility for certain Minnesota Department of Transportation employees; authorizing MnSCU employees to elect retroactive and prospective TRA coverage; authorizing MnSCU employee to transfer past service from IRAP to PERA; increasing maximum employer contribution to a supplemental laborers pension fund; authorizing certain additional sources of retirement plan funding; making technical and conforming changes; amending Minnesota Statutes 2016, sections 3A.02, subdivision 4; 3A.03, subdivisions 2, 3; 16A.14, subdivision 2a; 352.01, subdivisions 2a, 13a; 352.017, subdivision 2; 352.03, subdivisions 5, 6; 352.04, subdivisions 2, 3, 8, 9; 352.113, subdivisions 2, 4, 14; 352.116, subdivision 1a; 352.22, subdivisions 2, 3, by adding subdivisions; 352.23; 352.27; 352.91, subdivisions 3f, 3g, by adding a subdivision; 352.92, subdivisions 1, 2, by adding a subdivision; 352.955, subdivision 3; 352B.013, subdivision 2; 352B.02, subdivisions 1a, 1c; 352B.08, by adding a subdivision; 352B.085; 352B.086; 352B.11, subdivision 4; 352D.02, subdivisions 1, 3; 352D.04, subdivision 2; 352D.05, subdivision 4; 352D.06, subdivision 1; 352D.085, subdivision 1; 352D.11, subdivision 2; 352D.12; 352F.04, subdivisions 1, 2, by adding a subdivision; 353.01, subdivisions 2b, 10, 16, 43, 47; 353.012; 353.0162; 353.03, subdivision 3; 353.27, subdivisions 3c, 7a, 12, 12a, 12b; 353.28, subdivision 5; 353.29, subdivisions 4, 7; 353.30, subdivisions 3c, 5;

353.32, subdivisions 1, 4; 353.34, subdivisions 2, 3; 353.35, subdivision 1; 353.37, subdivision 1; 353.64, subdivision 10; 353.65, subdivisions 2, 3, by adding a subdivision; 353F.02, subdivision 5a; 353F.025, subdivision 2; 353F.04, subdivision 2; 353F.05; 353F.057; 353F.06; 353F.07; 353G.01, subdivision 9, by adding a subdivision; 353G.02, subdivision 6; 353G.03, subdivision 3; 353G.08, subdivision 3; 353G.11, subdivision 1; 354.05, subdivision 2, by adding a subdivision; 354.06, subdivisions 2, 2a; 354.095; 354.42, subdivisions 2, 3; 354.436, subdivision 3; 354.44, subdivisions 3, 6, 9; 354.45, by adding a subdivision; 354.46, subdivision 6; 354.48, subdivision 1; 354.49, subdivision 2; 354.50, subdivision 2; 354.51, subdivision 5; 354.512; 354.52, subdivisions 4, 4d; 354.53, subdivision 5; 354.55, subdivision 11; 354.66, subdivision 2; 354.72, subdivision 1; 354A.011, subdivisions 3a, 29; 354A.093, subdivisions 4, 6; 354A.095; 354A.096; 354A.12, subdivisions 1, 1a, 2a, 3a, 3c, 7; 354A.29, subdivision 7; 354A.31, subdivisions 3, 7; 354A.34; 354A.35, subdivision 2; 354A.37, subdivisions 2, 3; 354A.38; 356.195, subdivision 2; 356.215, subdivisions 8, 9, 11; 356.24, subdivision 1; 356.30, subdivision 1; 356.32, subdivision 2; 356.415, subdivisions 1, 1a, 1b, 1c, 1d, 1e, 1f, by adding a subdivision; 356.44; 356.47, subdivisions 1, 3; 356.50, subdivision 2; 356.551, subdivision 2; 356.635, subdivision 10, by adding subdivisions; 356.96, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13; 356A.06, subdivision 7; 423A.02, subdivisions 3, 5; 424A.001, subdivisions 2, 3, 10, by adding a subdivision; 424A.002, subdivision 1; 424A.01, subdivisions 1, 5, 6, by adding subdivisions; 424A.015, subdivision 1, by adding a subdivision; 424A.016, subdivision 2; 424A.02, subdivisions 1, 3, 3a, 7; 424A.04, subdivision 1; 424A.07; 424A.091, subdivision 3; 424A.094, subdivision 3; 424A.10, subdivision 1; 424B.20, subdivision 4; 490.121, subdivisions 4, 25, 26; 490.1211; 490.124, subdivision 12; proposing coding for new law in Minnesota Statutes, chapters 353F; 353G; 356; 424A; repealing Minnesota Statutes 2016, sections 3A.12; 352.04, subdivision 11; 352.045; 352.72; 352B.30; 353.0161; 353.27, subdivision 3b; 353.34, subdivision 6; 353.71; 354.42, subdivisions 4a, 4b, 4c, 4d; 354.60; 354A.12, subdivision 2c; 354A.29, subdivisions 8, 9; 354A.39; 356.611, subdivisions 3, 3a, 4, 5; 356.96, subdivisions 14, 15; 424A.02, subdivision 13.

Reported the same back with the following amendments:

Page 12, line 5, delete "BENEFIT AND CONTRIBUTION"

Page 12, line 6, delete "CHANGES"

Page 12, delete section 2

Page 16, delete section 3

Page 17, delete section 4

Page 25, line 7, reinstate everything before the stricken "interest" and after the stricken "rate" insert "investment return" and reinstate the stricken "assumption"

Page 25, line 8, reinstate the stricken "ultimate" and after the stricken "rate" insert "investment return"

Page 25, lines 9 to 12, reinstate the stricken language

Page 25, line 13, reinstate everything before the stricken "interest" and after the stricken "rate" insert "investment return" and reinstate the stricken "assumption"

Page 25, delete line 28

Page 32, line 34, reinstate the stricken language and delete the new language

Page 35, line 7, after "plan" insert ", except the Teachers Retirement Association,"

Page 35, line 12, delete "the Teachers Retirement Association"

Page 35, line 13, delete "and"

Page 35, line 14, after "annuity" insert "for all applicable plans, except the Teachers Retirement Association,"

Page 35, line 17, after the period, insert "The Teachers Retirement Association must augment a deferred annuity under section 354.55, subdivision 11."

Page 44, lines 19 to 32, reinstate the stricken language and delete the new language

Page 45, lines 1 to 16, reinstate the stricken language

Page 45, line 17, reinstate everything before the stricken "subdivision"

Page 45, line 18, reinstate everything after the stricken "under"

Page 45, lines 19 to 33, reinstate the stricken language and delete the new language

Page 46, delete lines 3 to 20

Page 82, line 1, delete "before July 1, 2017"

Page 82, delete line 2

Page 90, delete section 11

Page 91, delete section 12

Page 93, delete article 8

Page 154, lines 6 to 12, reinstate the stricken language

Renumber the articles and sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 24, delete "tire" and insert "fire"

Correct the title numbers accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 892, A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; modifying previous appropriations; establishing new programs and modifying existing programs; authorizing the sale and issuance of

state bonds; appropriating money; amending Minnesota Statutes 2016, sections 16A.967, subdivisions 2, 7; 84.946, subdivision 2; 85.34, subdivision 1; 174.50, subdivisions 5, 6b, 6c, 7; 446A.072; 446A.073; 446A.081, subdivision 9; 446A.12, subdivision 1; 462A.37, subdivisions 2a, 2b; Laws 2006, chapter 258, section 18, subdivision 6, as amended; Laws 2012, chapter 293, section 7, subdivision 3; Laws 2014, chapter 294, article 1, section 17, subdivision 12; Laws 2015, First Special Session chapter 5, article 1, section 10, subdivisions 3, 7; proposing coding for new law in Minnesota Statutes, chapters 16C; 219; repealing Minnesota Statutes 2016, section 123A.446.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, money appropriated in this act for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642. Unless otherwise specified in this act, money appropriated in this act for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046, should not be used for projects that can be financed within a reasonable time frame under Minnesota Statutes, section 16B.322 or 16C.144.

APPROPRIATIONS

Sec. 2. **UNIVERSITY OF MINNESOTA**

Subdivision 1. **Total Appropriation**

\$58,267,000

To the Board of Regents of the University of Minnesota for the purposes specified in this section.

Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)**

30,000,000

To be spent in accordance with Minnesota Statutes, section 135A.046.

Subd. 3. **Duluth - Chemical Sciences and Advanced Materials Science Building**

28,267,000

To design, construct, furnish, and equip a new laboratory building on the Duluth campus, including classrooms and research and undergraduate instructional laboratories.

Subd. 4. University Share

Except for the appropriation for HEAPR, the appropriations in this section are intended to cover approximately two-thirds of the cost of each project. The remaining costs must be paid from university sources.

Subd. 5. Unspent Appropriations

Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, the Board of Regents must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Regents must report by February 1 of each even-numbered year to the chairs of the house of representatives and senate committees with jurisdiction over capital investment and higher education finance, and to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

Sec. 3. MINNESOTA STATE COLLEGES AND UNIVERSITIES**Subdivision 1. Total Appropriation****\$36,244,000**

To the Board of Trustees of the Minnesota State Colleges and Universities for the purposes specified in this section.

Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR)25,000,000

To be spent in accordance with Minnesota Statutes, section 135A.046.

Subd. 3. Minnesota State Community and Technical College**(a) Fergus Falls Campus**978,000

To design, renovate, furnish, and equip a new Center for Student and Workforce Success (CSWS) that integrates the Regional Workforce Center. The board must enter into a lease agreement with the commissioner of employment and economic development, or partners of the commissioner, for use of the workforce center subject to Minnesota Statutes, section 16A.695. The board must use nonstate money for the remainder of the cost of the renovation.

(b) Wadena Campus820,000

To design, renovate, furnish, and equip the relocation of the current library to underutilized space and convert the vacated space into a centralized student services center.

Subd. 4. Northland Community and Technical College, East Grand Forks826,000

To design, renovate, furnish, and equip science and radiological lab space on the East Grand Forks campus.

Subd. 5. South Central College, North Mankato8,600,000

To design, renovate, renew, furnish, and equip laboratory, classroom, and office spaces on the North Mankato campus.

Subd. 6. Debt Service

(a) Except as provided in paragraph (b), the Board of Trustees shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section. After each sale of general obligation bonds, the commissioner of management and budget shall notify the board of the amounts assessed for each year for the life of the bonds.

(b) The board need not pay debt service on bonds sold to finance HEAPR. Where a nonstate match is required, the debt service is due on a principal amount equal to one-third of the total project cost, less the match committed before the bonds are sold.

(c) The commissioner of management and budget shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of management and budget by December 1 each year. If the board fails to make a payment when due, the commissioner of management and budget shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of management and budget shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

Subd. 7. Unspent Appropriations

(a) Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, the board must use any money remaining

in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Trustees must report by February 1 of each even-numbered year to the chairs of the house of representatives and senate committees with jurisdiction over capital investment and higher education finance, and to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

(b) The unspent portion of an appropriation for a project in this section that is complete is available for HEAPR under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under this section is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 4. **EDUCATION**

Subdivision 1. **Total Appropriation**

\$3,500,000

To the commissioner of education for the purposes specified in this section.

Subd. 2. **Library Construction Grants**

2,000,000

For library construction grants under Minnesota Statutes, section 134.45.

Subd. 3. **Olmsted County - Dyslexia Institute of Minnesota**

1,500,000

For a grant to Olmsted County to acquire land for, and to predesign, design, construct, furnish, and equip a facility in Olmsted County to support the local, regional, and national literacy work of the Dyslexia Institute of Minnesota, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project is committed to it from nonstate sources.

Sec. 5. **MINNESOTA STATE ACADEMIES**

Subdivision 1. **Total Appropriation**

\$2,050,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Asset Preservation2,000,000

For capital asset preservation improvements and betterments on both campuses of the Minnesota State Academies, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Security Corridor50,000

For predesign for a safety corridor on the Minnesota State Academy for the Deaf campus.

Sec. 6. NATURAL RESOURCES**Subdivision 1. Total Appropriation****\$48,985,000**

(a) To the commissioner of natural resources for the purposes specified in this section.

(b) The appropriations in this section are subject to the requirements of the natural resources capital improvement program under Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than Minnesota Statutes, section 86A.12.

Subd. 2. Natural Resources Asset Preservation15,000,000

For the renovation of state-owned facilities and recreational assets operated by the commissioner of natural resources to be spent in accordance with Minnesota Statutes, section 84.946. Notwithstanding Minnesota Statutes, section 84.946:

(1) the commissioner may use this appropriation to replace buildings if, considering the embedded energy in the building, that is the most energy-efficient and carbon-reducing method of renovation; and

(2) this appropriation may be used for projects to remove life safety hazards such as building code violations or structural defects.

Subd. 3. Flood Hazard Mitigation11,555,000

(a) For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

(b) Levee projects, to the extent practical, shall meet the state standard of three feet above the 100-year flood elevation.

(c) Project priorities shall be determined by the commissioner as appropriate and based on need.

(d) This appropriation includes \$1,700,000 for the Cedar River Watershed District, \$750,000 for the city of Browns Valley project, and \$1,800,000 for the city of Ortonville project.

(e) For any project listed in this subdivision that the commissioner determines is not ready to proceed or does not expend all the money allocated to it, the commissioner may allocate that project's money to a project on the commissioner's priority list.

(f) To the extent that the cost of a project exceeds two percent of the median household income in a municipality or township multiplied by the number of households in the municipality or township, this appropriation is also for the local share of the project.

Subd. 4. Dam Renovation, Repair, Removal

15,000,000

(a) For design, engineering, and construction to repair, reconstruct, or remove dams and respond to dam safety emergencies. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515. Of this appropriation:

(1) \$500,000 is for emergencies on state-owned dams;

(2) \$3,600,000 is for a grant to the city of Lanesboro for repair of the Lanesboro dam and notwithstanding the match requirements in Minnesota Statutes, section 103G.511, does not require a nonstate contribution. This includes funding for repairs of the hydropower system;

(3) \$2,500,000 is for repairs to the Lake Bronson dam;

(4) \$500,000 is for a grant to the city of Pelican Rapids for engineering work on the Pelican Rapids dam;

(5) \$200,000 is for a grant to the city of Pine River for engineering work on the Norway Lake dam;

(6) \$200,000 is for a grant to Yellow Medicine County for the Canby R-6 impoundment dam;

(7) \$100,000 is for a grant to St. Louis County for the Little Stone Lake dam;

(8) \$6,000,000 is for a grant to Dakota County to design and construct capital improvements to the hydroelectric generating facility, including replacement of obsolete turbines, at the Byllesby Dam located on the Cannon River; and

(9) \$1,400,000 is for state dams at Brawner, West Leaf Lake, Collinwood, Grindstone River, and Sullivan.

(b) If the commissioner determines that a project is not ready to proceed, this appropriation may be used for other projects on the commissioner's priority list.

Subd. 5. Reforestation and Stand Improvement

1,000,000

To provide for reforestation and stand improvement on state forest lands to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2, including purchasing native seeds and native seedlings, planting, seeding, site preparation, and protection on state lands administered by the commissioner.

Subd. 6. State Trail Acquisition and Development

3,130,000

For acquisition and development of the Gitchi-Gami State Trail, from Grand Marais to Cascade State Park, and through the town of Tofte.

Subd. 7. Champlin - Mill Pond

3,300,000

For a grant to the city of Champlin to dredge and remove sediment and for other capital improvements to the Champlin Mill Pond necessary to improve water quality, restore fish habitat, and provide other public benefits.

Subd. 8. Unspent Appropriations

The unspent portion of an appropriation for a project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 84.946. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 7. POLLUTION CONTROL AGENCY

Subdivision 1. Total Appropriation

\$46,000,000

To the Pollution Control Agency for the purposes specified in this section.

Subd. 2. St. Louis River Cleanup25,400,000

To design and implement contaminated sediment management actions identified in the St. Louis River remedial action plan to restore water quality in the St. Louis River Area of Concern.

Subd. 3. Closed Landfill Cleanup11,350,000

To design and construct remedial systems and acquire land at closed landfills throughout the state in accordance with the closed landfill program under Minnesota Statutes, sections 115B.39 to 115B.42. The agency must follow the agency priorities, which includes a construction project at the waste disposal engineering (WDE) site in Anoka County.

Subd. 4. Capital Assistance Program9,250,000

This appropriation is for a grant to Polk County under the solid waste capital assistance grant program under Minnesota Statutes, section 115A.54, in order to complete a regional integrated solid waste management system.

Sec. 8. BOARD OF WATER AND SOIL RESOURCES**Subdivision 1. Total Appropriation****\$15,000,000**

To the Board of Water and Soil Resources for the purposes specified in this section.

Subd. 2. Reinvest in Minnesota (RIM) Reserve Program10,000,000

(a) To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands, and restore and enhance rivers and streams, riparian lands, and associated uplands of prairie and grasslands in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damage, and provide other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this program.

(b) The board shall give priority to leveraging federal money by enrolling targeted new lands or enrolling environmentally sensitive lands that have expiring federal conservation agreements.

(c) The board is authorized to enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration. Of this appropriation, up to five percent may be used for restoration and enhancement.

Subd. 3. Local Government Roads Wetland Replacement Program

5,000,000

To acquire land or permanent easements and to restore, create, enhance, and preserve wetlands to replace those wetlands drained or filled as a result of the repair, reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). The board may vary the priority order of Minnesota Statutes, section 103G.222, subdivision 3, paragraph (a), to implement an in-lieu fee agreement approved by the U.S. Army Corps of Engineers under section 404 of the Clean Water Act. The purchase price paid for acquisition of land or perpetual easement must be a fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, nonprofit organizations, fee title owners, or other qualified private entities to acquire wetland replacement credits in accordance with Minnesota Rules, chapter 8420.

A new public road project to improve public safety in a greater than 80 percent area, as defined in Minnesota Statutes, section 103G.005, subdivision 10b, is eligible for funding under this program.

Sec. 9. MINNESOTA ZOOLOGICAL GARDEN

Subdivision 1. Total Appropriation

\$4,000,000

To the Minnesota Zoological Garden Board for the purposes specified in this section.

Subd. 2. Asset Preservation

4,000,000

For capital asset preservation improvements and betterments to infrastructure and exhibits at the Minnesota Zoo, to be spent in accordance with Minnesota Statutes, section 16B.307. Notwithstanding the specified uses of money under Minnesota Statutes, section 16B.307, the board may use this appropriation to replace buildings that are in poor condition, outdated, and no longer support the work of the Minnesota Zoo and to construct and renovate trails and roads on the Minnesota Zoo site.

Sec. 10. ADMINISTRATION

Subdivision 1. Total Appropriation

\$12,500,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Capitol Complex - Physical Security Upgrades**10,500,000**

For the design, construction, and equipping required to upgrade the physical security elements and systems for one or more of the buildings listed below, their attached tunnel systems and surrounding grounds, and parking facilities as identified in the 2014 Minnesota State Capitol Complex Physical Security Study conducted by Miller Dunwiddie Architecture. Work includes but is not limited to the installation of bollards, blast protection, infrastructure security screen walls, door access controls, emergency call stations, security kiosks, locking devices, and traffic control to the extent these funds allow. This appropriation is for work associated with one or more of the following buildings: Administration, Centennial, Judicial, Ag/Health Lab, Minnesota History Center, Minnesota History Center Loading Dock, Capitol Complex Power Plant and Shops, Stassen, State Office, and Veterans Service.

Subd. 3. Capital Asset Preservation and Replacement Account**2,000,000**

To be spent in accordance with Minnesota Statutes, section 16A.632.

Sec. 11. MN.IT**\$1,432,000**

To the commissioner of administration to predesign, design, construct, renovate, furnish, and equip existing state data center facilities at the Bureau of Criminal Apprehension's Maryland Avenue office building, at the Centennial Office Building, and at the Department of Revenue's Stassen Office Building for the purpose of decommissioning and repurposing into usable office space.

Sec. 12. MILITARY AFFAIRS**Subdivision 1. Total Appropriation****\$2,500,000**

To the adjutant general for the purposes specified in this section.

Subd. 2. Asset Preservation**2,500,000**

For asset preservation improvements and betterments of a capital nature at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 13. PUBLIC SAFETY**Subdivision 1. Total Appropriation****\$3,521,000**

To the named official for the purposes specified in this section.

Subd. 2. Camp Ripley Training Facility**3,521,000**

To the adjutant general to predesign, design, construct, and equip a joint emergency railroad and pipeline emergency response training facility at Camp Ripley. The project includes construction of stations and capital infrastructure needed for mock disaster training, including infrastructure for training in hazardous materials abatement and site recovery work.

Sec. 14. TRANSPORTATION**Subdivision 1. Total Appropriation****\$248,717,000**

To the commissioner of transportation for the purposes specified in this section.

Subd. 2. Local Bridge Replacement and Rehabilitation**59,000,000**

From the bond proceeds account in the state transportation fund to match federal money and to replace or rehabilitate local deficient bridges as provided in Minnesota Statutes, section 174.50.

Subd. 3. Local Road Improvement Fund Grants**104,691,000**

(a) From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for trunk highway corridor projects under Minnesota Statutes, section 174.52, subdivision 2, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

(b) Of this amount, \$9,000,000 is for a grant to Anoka County to realign and make associated improvements to County State-Aid Highway 23 (Lake Drive), County State-Aid Highway 54 (West Freeway Drive), and to Hornsby Street in the city of Columbus.

(c) Of this amount, \$3,246,000 is for a grant to the city of Blaine to predesign, design, and reconstruct 105th Avenue in the vicinity of the National Sports Center in Blaine. The reconstruction will include changing the street from five lanes to four lanes with median, turn lanes, sidewalk, trail, landscaping, lighting, and consolidation of access driveways. This appropriation is not available until the commissioner of management and budget determines that at least \$3,000,000 is committed to the project from sources available to the city, including municipal state aid and county turnback funds.

(d) Of this amount, \$25,000,000 is for a grant to Hennepin County, the city of Minneapolis, or both, for design, right-of-way acquisition, engineering, and construction of public improvements related to the Interstate Highway 35W and Lake Street access project and related improvements within the Interstate Highway 35W corridor. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete this portion of the Interstate Highway 35W and Lake Street access project has been committed to the project.

(e) Of this amount \$10,500,000 is for a grant to Carver County for environmental analysis and to acquire right-of-way access, predesign, design, engineer, and construct an interchange at marked Trunk Highway 212 and Carver County Road 44 in the city of Chaska, including a new bridge and ramps, to support the development of approximately 400 acres of property in the city of Chaska's comprehensive plan.

(f) Of this amount, \$700,000 is for a grant to Redwood County to pave Nobles Avenue as the main access road to a new State Veterans Cemetery to be located in Paxton Township.

Subd. 4. Rail Grade Separation on Crude Oil Rail Corridors

69,624,000

(a) Of this amount, \$42,262,000 is for a grant to the city of Moorhead for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation in the vicinity of 21st Street South.

(b) \$12,600,000 is for a grant to Anoka County for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Anoka County State-Aid Highway 78, known as Hanson Boulevard, in Coon Rapids.

(c) Of this amount, \$14,762,000 is for a grant to the city of Red Wing for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Sturgeon Lake Road.

(d) Any unspent portion of this appropriation after completion of a project in this subdivision may be used for grants in accordance with Minnesota Statutes, section 219.016.

Subd. 5. Railroad Warning Devices

1,000,000

To design, construct, and equip replacement of active highway-rail grade warning devices that have reached the end of their useful life.

Subd. 6. Minnesota Valley Regional Railroad Authority4,000,000

For a grant to the Minnesota Valley Regional Rail Authority for the rehabilitation of a portion of the railroad track between Winthrop and Hanley Falls. The grant under this subdivision may also be used for any required environmental documentation and remediation, predesign, design, and rehabilitation or replacement of bridges with new bridges or culverts between Winthrop and Hanley Falls. A grant under this section is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62. This appropriation is in addition to the appropriations in Laws 2006, chapter 258, section 16, subdivision 6; Laws 2008, chapter 179, section 16, subdivision 5; Laws 2009, chapter 93, article 1, section 11, subdivision 4; Laws 2010, chapter 189, section 15, subdivision 5; and Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 4.

Subd. 7. Port Development Assistance5,000,000

For grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned.

Subd. 8. International Falls-Koochiching County Airport Commission3,000,000

(a) For a grant to the International Falls-Koochiching County Airport Commission for the following improvements to the Falls International Airport:

(1) demolition of the existing terminal building;

(2) rehabilitation;

(3) site preparation, including utilities and civil work;

(4) design, construction, furnishing, and equipping Phase II of the new terminal building, including a Transportation Safety Administration office, weather office, conference room, circulation corridor, airport administration offices, United States Customs and Border Protection storage rooms, offices, restrooms, passenger-processing area, wet-hold room, interview room, search room, precustoms and postcustoms passenger waiting areas, and vestibule; and

(5) associated appurtenances of a capital nature.

(b) After completion of the improvements under paragraph (a), any unspent money from this appropriation may be used by the International Falls-Koochiching County Airport Commission for a commercial airline apron expansion project at the Falls International Airport.

(c) This appropriation does not require a nonstate contribution or match.

Subd. 9. Grand Rapids - Pedestrian Bridge

750,000

For a grant to the city of Grand Rapids to design the construction of a bridge over the Mississippi River for pedestrian and bicycle use to provide a safe alternative route to the existing marked Trunk Highway 169 vehicle bridge, and to serve as a connection to existing trail systems on each side of the river. This appropriation is not available until the commissioner determines that at least an equal amount has been committed to the project from nonstate sources.

Subd. 10. Safe Routes to School

1,650,000

For grants under Minnesota Statutes, section 174.40.

Sec. 15. METROPOLITAN COUNCIL

Subdivision 1. Total Appropriation

\$20,839,000

To the Metropolitan Council for the purposes specified in this section.

Subd. 2. Metropolitan Regional Parks and Trails Capital Improvements

5,000,000

For the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. This appropriation must not be used to purchase easements.

Subd. 3. Metropolitan Cities Inflow and Infiltration Grants

3,739,000

For grants to cities within the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the Metropolitan Council's metropolitan sanitary sewer disposal system. Grants from this appropriation are for up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection systems. To be eligible for a grant, a city

must be identified by the council as a contributor of excessive inflow and infiltration in the metropolitan disposal system or have a measured flow rate within 20 percent of its allowable council-determined inflow and infiltration limits. The council must award grants based on applications from cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council.

Subd. 4. Metro Orange Line BRT

12,100,000

Up to \$12,100,000, but an amount that is no more than ten percent of the total project cost, is for the Metropolitan Council, or for the Metropolitan Council to make grants to political subdivisions, for design, acquisition of right-of-way, engineering, and construction of capital improvements along the I-35W corridor for completion of the Metro Orange Bus Rapid Transit (BRT) Line.

Sec. 16. HUMAN SERVICES

Subdivision 1. Total Appropriation

\$92,035,000

To the commissioner of administration, or another named agency, for the purposes specified in this section.

Subd. 2. Minnesota Security Hospital - St. Peter

70,255,000

To complete design, remodel, construct, furnish, and equip the second phase of the two-phase project to remodel existing, and to develop new, residential, program, activity, and ancillary facilities for the Minnesota Security Hospital on the upper campus of the St. Peter Regional Treatment Center. This appropriation includes money to: demolish, renovate, and remodel existing space; construct new space; address fire and life safety, and other building code deficiencies; replace or renovate interior finishes; purchase furnishings, fixtures, and equipment; replace or renovate the Minnesota Security Hospital building's HVAC, plumbing, electrical, security, and life safety systems; tuck-point; replace windows and doors; design and abate asbestos and hazardous materials; and complete site work necessary to support the programmed use of the facilities on the St. Peter Regional Treatment Center upper campus.

Subd. 3. Child and Adolescent Behavioral Health Services

7,530,000

(a) To predesign, design, construct, furnish, and equip a new community-based 16-bed psychiatric hospital facility to house the Child and Adolescent Behavioral Health Services (CABHS) program to be located in or near the city of Willmar. This appropriation includes funds for land purchase, surveying, predesign and design fees, construction administration, project management, site work, site and building infrastructure, construction, and furniture, fixtures, and equipment.

(b) Notwithstanding any law to the contrary, the 16 hospital beds licensed to the CABHS's facility on January 1, 2017, by the Department of Health, may transfer to this new facility upon completion, and approved inspection by the Departments of Health and Human Services.

Subd. 4. Anoka Metro Regional Treatment Center - Safety and Security Renovations

2,250,000

To provide security upgrades of a capital nature at the Anoka Metro Regional Treatment Center campus, including but not limited to control centers, electronic monitoring and perimeter security equipment, new or updated security fencing, and other building security renovations. This appropriation includes money for: predesign, design, furnishing, fixtures, and equipment; construction of safety and security improvements to courtyards on residential treatment units; securely enclosing the nursing station on Unit G; and installing a campus-wide closed-circuit television video security system, a facility-wide personal duress alarm system, a key control system, and an electronic access control system.

Subd. 5. St. Paul - Dorothy Day Opportunity Center

12,000,000

To the commissioner of human services for a grant to the city of St. Paul to predesign, design, construct, furnish, and equip an opportunity center to serve as an integrated one-stop delivery system connecting persons at risk of becoming homeless, and persons working to move up and out of homelessness, and to provide services that improve their health, income, housing stability, or well-being, subject to Minnesota Statutes, section 16A.695. This appropriation may be used to acquire property for these purposes. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed to the project from nonstate sources.

Sec. 17. VETERANS AFFAIRS

Subdivision 1. Total Appropriation

\$12,851,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Asset Preservation

5,000,000

For asset preservation improvements and betterments of a capital nature at the veterans homes in Minneapolis, Hastings, Fergus Falls, Silver Bay, and Luverne, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Minneapolis Veterans Home Truss Bridge Project 7,851,000

To design, construct, renovate, and equip the historic truss bridge on the Minneapolis Veterans Home campus, including asbestos and hazardous materials abatement and associated site work.

Sec. 18. **CORRECTIONS**

Subdivision 1. Total Appropriation **\$39,000,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Asset Preservation 20,000,000

For asset preservation improvements and betterments of a capital nature at Minnesota correctional facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Minnesota Correctional Facility - St. Cloud 19,000,000

To construct and equip a new intake unit and a loading dock with a secure connection to a new central warehouse at the St. Cloud correctional facility.

Sec. 19. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. Total Appropriation **\$45,272,000**

To the commissioner of employment and economic development for the purposes specified in this section.

Subd. 2. Transportation Economic Development 7,000,000

For grants under Minnesota Statutes, section 116J.436.

Subd. 3. Greater Minnesota Business Development Public Infrastructure Grants 12,000,000

For grants under Minnesota Statutes, section 116J.431.

Of this amount, \$1,600,000 is for a grant to the city of Thief River Falls to support utility extensions, roads, and other public improvements related to the construction of a wholesale electronic component distribution center at least 700,000 square feet in size and investing a minimum of \$200,000,000. Notwithstanding Minnesota Statutes, section 116J.431, a local match is not required.

Subd. 4. Innovative Business Development Public Infrastructure Grants 2,500,000

For grants under Minnesota Statutes, section 116J.435.

Subd. 5. Eagle's Healing Nest 300,000

From the general fund for a grant to Eagle's Healing Nest in Sauk Centre.

Subd. 6. Chisago County Law Enforcement and Emergency Operations Center 3,000,000

For a grant to Chisago County to predesign, design, construct, furnish, and equip a municipal complex that includes a law enforcement and emergency operations center, and related facilities and infrastructure, for interconnection to the county emergency communications center. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources. Amounts expended by Chisago County for project costs since July 1, 2015, shall count toward the matching requirement.

Subd. 7. Litchfield - Phase 2 Power Generation Improvements 3,000,000

For a grant to the city of Litchfield to design and construct electrical generation improvements in the city of Litchfield to expand the current standby capacity. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources.

Subd. 8. Minneapolis - Pioneers and Soldiers Cemetery Restoration 1,029,000

For a grant to the city of Minneapolis to restore the historic steel and limestone pillar fence along Cedar Avenue and Lake Street, install a new steel fence and pillars along 21st Avenue South, and install a waterproofing system for preservation of the fence and pillars, at the Pioneer and Soldiers Cemetery. This appropriation does not require a nonstate contribution.

Subd. 9. St. James - Public Infrastructure 3,443,000

For a grant to the city of St. James. Of this amount, \$2,193,000 is for engineering, right-of-way acquisition, and reconstruction of streets, sidewalks, storm water and sanitary sewer, water mains, lighting, utilities, and other capital improvements of publicly owned infrastructure required for the reconstruction of marked Trunk Highway 4 in the city of St. James, and \$1,250,000 is for replacement of the storm sewer drain that serves St. James Lake and the entire southern section of the city of St. James.

**Subd. 10. St. Paul - Science Museum of Minnesota
Building Preservation**

13,000,000

For a grant to the city of St. Paul for predesign, design, and construction work to replace water-damaged elements of the Science Museum of Minnesota's exterior envelope and some resultant interior damage caused by latent design and construction defects, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that an equal amount has been committed to the project from nonstate sources. Capital costs paid by the Science Museum of Minnesota since January 1, 2014, relating to the water intrusion damage, shall count towards the match requirement.

Sec. 20. PUBLIC FACILITIES AUTHORITY

Subdivision 1. Total Appropriation

\$114,963,000

To the Public Facilities Authority for the purposes specified in this section. The Public Facilities Authority may use the funds in this section or other available funds to amend project financing agreements awarded after July 1, 2016, based on program changes to Minnesota Statutes, sections 446A.072 and 446A.073, in article 2 of this act.

Subd. 2. State Match for Federal Grants

17,000,000

To match federal grants for the clean water revolving fund under Minnesota Statutes, section 446A.07, and the drinking water revolving fund under Minnesota Statutes, section 446A.081. This appropriation must be used for qualified capital projects.

Subd. 3. Water Infrastructure Funding Program

55,000,000

(a) For grants to eligible municipalities under the water infrastructure funding program under Minnesota Statutes, section 446A.072.

(b) \$40,000,000 is for wastewater projects listed on the Pollution Control Agency's project priority list in the fundable range under the clean water revolving fund program.

(c) \$15,000,000 is for drinking water projects listed on the Department of Health's project priority list in the fundable range under the drinking water revolving fund program.

(d) After all eligible projects under paragraph (b) or (c) have been funded, the Public Facilities Authority may transfer any remaining, uncommitted money to eligible projects under a program defined in paragraph (b) or (c) based on that program's project priority list.

Subd. 4. Point Source Implementation Grants Program33,737,000

For grants to eligible municipalities under the point source implementation grants program under Minnesota Statutes, section 446A.073. This appropriation must be used for qualified capital projects.

Subd. 5. Big Lake Area Sanitary District - Sewer System and Force Main1,200,000

For a grant to the Big Lake Area Sanitary District to construct a pressure sewer system and force main to convey sewage to the Western Lake Superior Sanitary District connection in the city of Cloquet. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources. This appropriation is in addition to the appropriation in Laws 2014, chapter 294, article 1, section 22, subdivision 4.

Subd. 6. Dennison - Sewage Treatment System Improvements726,000

For a grant to the city of Dennison to predesign, design, and construct a new lift station and make sewage pond improvements. This appropriation does not require a nonstate contribution.

Subd. 7. East Grand Forks - Wastewater Interconnection Infrastructure5,300,000

For a grant to the city of East Grand Forks to design and construct Phase I of the wastewater infrastructure improvements interconnecting the wastewater system of East Grand Forks to the wastewater treatment system in Grand Forks, North Dakota, and to design and construct Phase II, decommissioning of the wastewater stabilization ponds in East Grand Forks, Minnesota. This appropriation may not be used for improvements outside the state. This appropriation is in addition to grants under Minnesota Statutes, section 446A.072. A nonstate match is not required.

Subd. 8. Koochiching County - Voyageurs National Park Clean Water Project2,000,000

(a) For a grant to Koochiching County to acquire land or interests in land, and to design, engineer, construct, and equip sanitary sewage systems and facilities to implement a portion or portions of the Voyageurs National Park clean water project comprehensive plan. This appropriation is available after the commissioner of management and budget determines that \$4,500,000 is committed from nonstate sources.

(b) This appropriation is in addition to the appropriation in Laws 2014, chapter 294, article 1, section 22, subdivision 7. Notwithstanding the match requirement in Laws 2014, chapter 294, article 1, section 22, subdivision 7, the nonstate match required for this appropriation and the 2014 appropriation for a grant to Koochiching County is 25 percent of the state grant amounts. Any money remaining from this appropriation after completion of the projects in paragraph (a) is available for grants to Koochiching County or St. Louis County to be used for other capital projects described in the comprehensive plan and as determined by the Voyageurs National Park Clean Water Joint Powers Board.

Sec. 21. **MINNESOTA HOUSING FINANCE AGENCY**

\$10,000,000

For transfer to the housing development fund to finance the costs of rehabilitation to preserve public housing under Minnesota Statutes, section 462A.202, subdivision 3a. For purposes of this section, "public housing" means housing for low-income persons and households financed by the federal government and owned and operated by the public housing authorities and agencies formed by cities and counties. Public housing authorities receiving a public housing assessment composite score of 80 or above or an equivalent designation are eligible to receive funding. Priority must be given to proposals that maximize federal or local resources to finance the capital costs. The priority in Minnesota Statutes, section 462A.202, subdivision 3a, for projects to increase the supply of affordable housing and the restrictions of Minnesota Statutes, section 462A.202, subdivision 7, do not apply to this appropriation.

Sec. 22. **MINNESOTA HISTORICAL SOCIETY**

Subdivision 1. **Total Appropriation**

\$2,500,000

To the Minnesota Historical Society for the purposes specified in this section.

Subd. 2. **Historic Sites Asset Preservation**

2,500,000

For capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

Sec. 23. **BOND SALE EXPENSES**

\$821,000

To the commissioner of management and budget for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Sec. 24. **BOND SALE AUTHORIZATION.**

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$656,986,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$163,691,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 25. **CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.**

(a) The remaining uncommitted appropriations from the bond proceeds fund in Laws 1990, chapter 610, are canceled and the bond sale authorization in Laws 1990, chapter 610, article 1, section 30, subdivision 1, as amended, is reduced by \$3,129.

(b) The remaining uncommitted appropriations from the bond proceeds fund in Laws 1994, chapter 643, are canceled and the bond sale authorization in Laws 1994, chapter 643, section 31, subdivision 1, as amended, is reduced by \$24,480.

(c) The remaining uncommitted appropriations from the bond proceeds fund in Laws 1997, Second Special Session chapter 2, are canceled and the bond sale authorization in Laws 1997, Second Special Session chapter 2, section 12, as amended, is reduced by \$96,992.

(d) The remaining uncommitted appropriations from the bond proceeds fund in Laws 1999, chapter 240, are canceled and the bond sale authorization in Laws 1999, chapter 240, article 1, section 13, subdivision 1, as amended, is reduced by \$212,472.

(e) The remaining uncommitted appropriations from the bond proceeds fund in Laws 2000, chapter 492, are canceled and the bond sale authorization in Laws 2000, chapter 492, article 1, section 26, subdivision 1, as amended, is reduced by \$7,933,538.

(f) The remaining uncommitted appropriations from the bond proceeds fund in Laws 2002, chapter 393, are canceled and the bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended, is reduced by \$188,471.

(g) The remaining uncommitted appropriations from the bond proceeds fund in Laws 2002, First Special Session chapter 1, are canceled and the bond sale authorization in Laws 2002, First Special Session chapter 1, section 9, subdivision 1, is reduced by \$217,959.

(h) The remaining uncommitted appropriations from the trunk highway bond proceeds fund in Laws 2003, First Special Session chapter 19, article 3, are canceled and the bond sale authorization in Laws 2003, First Special Session chapter 19, article 3, section 2, is reduced by \$201,530.

(i) The remaining uncommitted appropriations from the trunk highway bond proceeds fund in Laws 2003, First Special Session chapter 19, article 4, are canceled and the bond sale authorization in Laws 2003, First Special Session chapter 19, article 4, section 4, is reduced by \$326,534.

(j) The remaining uncommitted appropriations from the bond proceeds fund in Laws 2005, chapter 20, are canceled and the bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended, is reduced by \$3,366,628.

(k) The \$700,000 appropriation from the bond proceeds fund in Laws 2011, First Special Session chapter 12, section 13, subdivision 8, for St. Louis Park noise barriers, is canceled and the bond sale authorization in Laws 2011, First Special Session chapter 12, section 23, subdivision 1, is reduced by the same amount.

(l) The \$2,285,000 appropriation from the bond proceeds fund in Laws 2012, First Special Session chapter 1, article 1, section 3, subdivision 2, to the commissioner of public safety for disaster relief, is canceled and the bond sale authorization in Laws 2012, First Special Session chapter 1, article 1, section 16, subdivision 1, is reduced by the same amount.

(m) \$1,380,000 of the appropriation from the bond proceeds fund in Laws 2012, First Special Session chapter 1, article 1, section 6, to the Public Facilities Authority for disaster relief, is canceled and the bond sale authorization in Laws 2012, First Special Session chapter 1, article 1, section 16, subdivision 1, is reduced by the same amount.

(n) The \$300,000 appropriation from the general fund in Laws 2015, First Special Session chapter 5, article 1, section 14, subdivision 4, for Eagle's Healing Nest is canceled.

Sec. 26. **BOND SALE SCHEDULE.**

The commissioner of management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2019, no more than \$1,142,817,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of management and budget shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 27. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective the day following final enactment.

ARTICLE 2
MISCELLANEOUS

Section 1. Minnesota Statutes 2016, section 16A.967, is amended to read:

16A.967 LEWIS AND CLARK APPROPRIATION BONDS.

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Appropriation bond" or "bond" means a bond, note, or other similar instrument of the state payable during a biennium from one or more of the following sources:

(1) money appropriated by law from the general fund in any biennium for debt service due with respect to obligations described in ~~subdivision 2, paragraph (e)~~ subdivisions 2a and 2b;

(2) proceeds of the sale of obligations described in ~~subdivision 2, paragraph (c)~~ subdivisions 2a and 2b;

(3) payments received for that purpose under agreements and ancillary arrangements described in subdivision 2, paragraph ~~(e)~~ (d); and

(4) investment earnings on amounts in clauses (1) to (3).

(c) "Debt service" means the amount payable in any biennium of principal, premium, if any, and interest on appropriation bonds.

Subd. 2. Authorization to issue appropriation bonds. (a) Subject to the limitations of this subdivision, the commissioner may sell and issue appropriation bonds of the state under this section for public purposes as provided by law, ~~including, in particular, the financing of the land acquisition, design, engineering, and construction of facilities and infrastructure necessary to complete the next phase of the Lewis and Clark Regional Water System project, including completion of the pipeline to Magnolia, extension of the project to the Lincoln Pipestone Rural Water System connection near Adrian, and engineering, design, and easement acquisition for the final phase of the project to Worthington. No bonds shall be sold until the commissioner determines that a nonstate match of at least \$9,000,000 is committed to this project phase.~~ Grant agreements entered into under this section must provide for reimbursement to the state from any federal money provided for the project, consistent with the Lewis and Clark Regional Water System, Inc., agreement.

(b) The appropriation bonds may be issued and sold only after the commissioner determines that the construction and administration for work done on the project will comply with (1) all federal requirements and regulations associated with the Lewis and Clark Rural Water System Act of 2000, and (2) the cooperative agreement between the United States Department of the Interior and the Lewis and Clark Regional Water System, Inc. Proceeds of the appropriation bonds must be credited to a special appropriation Lewis and Clark bond proceeds fund in the state treasury. All income from investment of the bond proceeds, as estimated by the commissioner, is appropriated to the commissioner for the payment of principal and interest on the appropriation bonds.

~~(c) Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient money, not to exceed \$19,000,000 net of costs of issuance, for the purposes as provided under paragraph (a), and pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under paragraph (e).~~

~~(d)~~ (c) Appropriation bonds may be issued in one or more issues or series on the terms and conditions the commissioner determines to be in the best interests of the state, but the term on any series of appropriation bonds may not exceed 25 years. The appropriation bonds of each issue and series thereof shall be dated and bear interest, and may be includable in or excludable from the gross income of the owners for federal income tax purposes.

~~(e)~~ (d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter into agreements and ancillary arrangements relating to the appropriation bonds, including but not limited to trust indentures, grant agreements, lease or use agreements, operating agreements, management agreements, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received according to the agreement or ancillary arrangement shall be made from or deposited as provided in the agreement or ancillary arrangement. The determination of the commissioner included in an interest exchange agreement that the agreement relates to an appropriation bond shall be conclusive.

~~(e)~~ (e) The commissioner may enter into written agreements or contracts relating to the continuing disclosure of information necessary to comply with or facilitate the issuance of appropriation bonds in accordance with federal securities laws, rules, and regulations, including Securities and Exchange Commission rules and regulations in Code of Federal Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants with purchasers and holders of appropriation bonds set forth in the order or resolution authorizing the issuance of the appropriation bonds, or a separate document authorized by the order or resolution.

~~(f)~~ (f) The appropriation bonds are not subject to chapter 16C.

Subd. 2a. **Project authorization.** Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient money to the Public Facilities Authority under subdivision 7, paragraph (a), not to exceed \$19,000,000 net of costs of issuance, for the purposes as provided under this subdivision, and pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under subdivision 2, paragraph (d). The bonds authorized by this subdivision are for the purposes of financing the land acquisition, design, engineering, and construction of facilities and infrastructure necessary to complete Phase 2 of the Lewis and Clark Regional Water System project, including completion of the pipeline to Magnolia; extension of the project to the Lincoln-Pipestone Rural Water System connection near Adrian; engineering, design, and easement acquisition for the final phase of the project to Worthington; and to begin and proceed with Phase 3, described in subdivision 2b. No bonds shall be sold under this subdivision until the commissioner determines that a nonstate match of at least \$9,000,000 is committed to this project phase. Upon certification by the Lewis and Clark Joint Powers Board that the bond sale authorization provided by this subdivision has fully met the needs of Phase 2 of the project, and to the extent there is additional authorization remaining, this authorization is also available for the purposes of and on the same conditions as subdivision 2b.

Subd. 2b. **Additional project authorization.** Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient money to the Public Facilities Authority under subdivision 7, paragraph (b), not to exceed \$3,500,000 net of costs of issuance, for the purposes as provided under this subdivision, and pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under subdivision 2, paragraph (d). The bonds authorized by this subdivision are for the purposes of financing the land acquisition, design, engineering, and construction of facilities and infrastructure necessary to complete Phase 3 of the Lewis and Clark Regional Water System project, including extension of the project from the Lincoln-Pipestone Rural Water System connection near Adrian to Worthington, construction of a reservoir in Nobles County and a meter building in Worthington, and acquisition and installation of a supervisory control and data acquisition (SCADA) system. No bonds shall be sold under this subdivision until the commissioner determines that a nonstate match of at least \$9,000,000 is committed to the final phase of the project.

Subd. 3. **Form; procedure.** (a) Appropriation bonds may be issued in the form of bonds, notes, or other similar instruments, and in the manner provided in section 16A.672. In the event that any provision of section 16A.672 conflicts with this section, this section shall control.

(b) Every appropriation bond shall include a conspicuous statement of the limitation established in subdivision 6.

(c) Appropriation bonds may be sold at either public or private sale upon such terms as the commissioner shall determine are not inconsistent with this section and may be sold at any price or percentage of par value. Any bid received may be rejected.

(d) Appropriation bonds must bear interest at a fixed or variable rate.

(e) Notwithstanding any other law, appropriation bonds issued under this section shall be fully negotiable.

Subd. 4. **Refunding bonds.** The commissioner may issue appropriation bonds for the purpose of refunding any appropriation bonds then outstanding, including the payment of any redemption premiums on the bonds, any interest accrued or to accrue to the redemption date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the appropriation bonds to be refunded, to the redemption of the outstanding appropriation bonds on any redemption date, or to pay interest on the refunding bonds and may, pending application, be placed in escrow to be applied to the purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on the investment may also be applied to the payment of the appropriation bonds to be refunded or interest or premiums on the refunded appropriation bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been fully satisfied, any balance of the proceeds and any investment income may be returned to the general fund or, if applicable, the special appropriation Lewis and Clark bond proceeds fund for use in any lawful manner. All refunding bonds issued under this subdivision must be prepared, executed, delivered, and secured by appropriations in the same manner as the appropriation bonds to be refunded.

Subd. 5. **Appropriation bonds as legal investments.** Any of the following entities may legally invest any sinking funds, money, or other funds belonging to them or under their control in any appropriation bonds issued under this section:

(1) the state, the investment board, public officers, municipal corporations, political subdivisions, and public bodies;

(2) banks and bankers, savings and loan associations, credit unions, trust companies, savings banks and institutions, investment companies, insurance companies, insurance associations, and other persons carrying on a banking or insurance business; and

(3) personal representatives, guardians, trustees, and other fiduciaries.

Subd. 6. **No full faith and credit; state not required to make appropriations.** The appropriation bonds are not public debt of the state, and the full faith, credit, and taxing powers of the state are not pledged to the payment of the appropriation bonds or to any payment that the state agrees to make under this section. Appropriation bonds shall not be obligations paid directly, in whole or in part, from a tax of statewide application on any class of property, income, transaction, or privilege. Appropriation bonds shall be payable in each fiscal year only from amounts that the legislature may appropriate for debt service for any fiscal year, provided that nothing in this section shall be construed to require the state to appropriate money sufficient to make debt service payments with respect to the appropriation bonds in any fiscal year. Appropriation bonds shall be canceled and shall no longer be outstanding on the earlier of (1) the first day of a fiscal year for which the legislature shall not have appropriated amounts sufficient for debt service, or (2) the date of final payment of the principal of and interest on the appropriation bonds.

Subd. 7. **Appropriation of proceeds.** (a) The proceeds of appropriation bonds issued under subdivision 2a and interest credited to the special appropriation Lewis and Clark bond proceeds fund are appropriated as follows:

(1) to the ~~commissioner~~ Public Facilities Authority for a grant to the Lewis and Clark Joint Powers Board for payment of capital expenses ~~for the purposes provided by as specified in subdivision 2, paragraph (a), 2a; and~~

(2) to the commissioner for debt service on the bonds including capitalized interest, nonsalary costs of issuance of the bonds, costs of credit enhancement of the bonds and payments under any agreements entered into under subdivision 2, paragraph (e) ~~(d)~~, each as permitted by state and federal law, ~~and such proceeds may be granted, loaned, or otherwise provided for the public purposes provided by subdivision 2, paragraph (a).~~

(b) The proceeds of appropriation bonds issued under subdivision 2b and interest credited to the special appropriation Lewis and Clark bond proceeds fund are appropriated as follows:

(1) to the Public Facilities Authority for a grant to the Lewis and Clark Joint Powers Board for payment of capital expenses as specified in subdivision 2b; and

(2) to the commissioner for debt service on the bonds including capitalized interest, nonsalary costs of issuance of the bonds, costs of credit enhancement of the bonds, and payments under any agreements entered into under subdivision 2, paragraph (d), each as permitted by state and federal law.

Subd. 8. **Appropriation for debt service and other purposes.** (a) An amount, up to \$1,351,000 needed to pay principal and interest on appropriation bonds issued under ~~this section~~ subdivision 2a is appropriated each fiscal year from the general fund to the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation, otherwise pursuant to subdivision 6, for deposit into the bond payments account established for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The appropriation is available beginning in fiscal year 2017 and through fiscal year 2038.

(b) An amount up to \$265,000 needed to pay principal and interest on appropriation bonds issued under subdivision 2b is appropriated each fiscal year from the general fund to the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation, otherwise pursuant to subdivision 6, for deposit into the bond payments account established for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The appropriation is available beginning in fiscal year 2018 and through fiscal year 2039.

Subd. 9. **Waiver of immunity.** The waiver of immunity by the state provided for by section 3.751, subdivision 1, shall be applicable to the appropriation bonds and any ancillary contracts to which the commissioner is a party.

Sec. 2. **[16C.054] ACCOMMODATION FOR HARD-OF-HEARING IN STATE-FUNDED CAPITAL PROJECTS.**

Subdivision 1. **Definition.** For purposes of this section, "public gathering space" means a space that is constructed or renovated as part of the project: (1) that accommodates and is intended to be used for gatherings of 15 or more people; and (2) in which audible communications are integral to a use of the space.

Subd. 2. **Accommodation for hard-of-hearing in state-funded capital projects.** No commissioner or agency head may approve a contract or grant state funds for a capital improvement project to construct or renovate a public gathering space in a building unless:

(1) the project includes equipping the public gathering space, if the public gathering space has or will have a permanent audio-amplification system, with audio-induction loops to provide an electromagnetic signal for hearing aids and cochlear implants; and

(2) the project includes meeting the American National Standards Institute Acoustical Performance Criteria, Design Requirements and Guidelines for Schools on maximum background noise level and reverberation times in the public gathering space.

Subd. 3. **Exemption.** A commissioner or agency head may approve a contract or grant state funds for a capital improvement project to construct or renovate a building that does not meet a requirement of subdivision 2, when the commissioner or agency head determines that meeting that requirement is not feasible, is in conflict with other requirements in law, is in conflict with other project requirements, or that costs outweigh the benefits. The commissioner must consult with the Commission of Deaf, Deafblind, and Hard-of-Hearing Minnesotans before making the determination.

Subd. 4. **Exemption reports.** A commissioner or agency head who determines a contract is exempt under subdivision 3 must report the exemption to the Commission of Deaf, Deafblind, and Hard-of-Hearing Minnesotans within three months of making the determination. The chair of the Commission of Deaf, Deafblind, and Hard-of-Hearing Minnesotans shall submit a report to the chairs and ranking minority members of the committees in the house of representatives and senate with jurisdiction over state contracting by January 30 of even-numbered years beginning in 2020 identifying each exemption reported in the previous two calendar years.

EFFECTIVE DATE. (a) This section is effective the day following final enactment, and, except as provided in paragraph (b), applies to any project funded with an appropriation enacted after January 1, 2017.

(b) This section does not apply to a project that has completed schematic design on the effective date of this section, but the commissioner and agency heads are encouraged to comply with it.

Sec. 3. Minnesota Statutes 2016, section 84.946, subdivision 2, is amended to read:

Subd. 2. **Standards.** (a) An appropriation for asset preservation may be used only for a capital expenditure on a capital asset previously owned by the state, within the meaning of generally accepted accounting principles as applied to public expenditures. The commissioner of natural resources will consult with the commissioner of management and budget to the extent necessary to ensure this and will furnish the commissioner of management and budget a list of projects to be financed from the account in order of their priority. The legislature assumes that many projects for preservation and replacement of portions of existing capital assets will constitute betterments and capital improvements within the meaning of the Constitution and capital expenditures under generally accepted accounting principles, and will be financed more efficiently and economically under this section than by direct appropriations for specific projects.

(b) An appropriation for asset preservation must not be used to acquire land or to acquire or construct buildings or other facilities.

(c) Capital budget expenditures for natural resource asset preservation and replacement projects must be for one or more of the following types of capital projects that support the existing programmatic mission of the department: code compliance including health and safety, Americans with Disabilities Act requirements, hazardous material abatement, access improvement, or air quality improvement; building energy efficiency improvements using current best practices; building or infrastructure repairs necessary to preserve the interior and exterior of existing buildings; projects to remove life safety hazards such as building code violations or structural defects; or renovation of other existing improvements to land, including but not limited to trails and bridges.

(d) Up to ten percent of an appropriation awarded under this section may be used for design costs for projects eligible to be funded from this account in anticipation of future funding from the account.

Sec. 4. Minnesota Statutes 2016, section 85.34, subdivision 1, is amended to read:

Subdivision 1. **Upper bluff; lease terms.** The commissioner of natural resources with the approval of the Executive Council may lease for purposes of restoration, preservation, historical, recreational, educational, and commercial use and development, that portion of Fort Snelling State Park known as the upper bluff consisting of officer's row, area J, the polo grounds, the adjacent golf course, and all buildings and improvements located thereon, all lying within an area bounded by Minneapolis-St. Paul International Airport, Trunk Highways numbered 5 and 55, and Bloomington Road. The lease or leases shall be in a form approved by the attorney general and for a term of not to exceed 99 years. The lease or leases may provide for the provision of capital improvements or other performance by the tenant or tenants in lieu of all or some of the payments of rent that would otherwise be required. Notwithstanding the continuing ownership of the upper bluff by the state, any lease of one or more buildings improved with state general obligation bond proceeds that exceeds 50 years shall be treated as a sale of the buildings

for purposes of section 16A.695, subdivision 3. Any disposition proceeds payable to the commissioner upon execution of a lease relating to state-bond-financed buildings at the upper bluff shall be applied according to section 16A.695, subdivision 3, and used to pay, redeem, or defease state general obligation bonds issued for purposes of improving those buildings. Any lease revenues paid to the commissioner subsequent to the payment, redemption, or defeasance of state general obligation bonds shall be used by the commissioner as further described in this section.

Sec. 5. Minnesota Statutes 2016, section 174.50, subdivision 5, is amended to read:

Subd. 5. **Certification and disbursal for project of political subdivision.** Before disbursement of an appropriation made from the fund to the commissioner of transportation for grants to subdivisions of the state, the commissioner ~~shall~~ must certify that:

(1) ~~that the project for which the grant is made has been reviewed as provided in subdivision 4;~~

~~(2) that~~ the project conforms to the program authorized by the appropriation law and rules adopted by the Department of Transportation consistent therewith; and

~~(3) that~~ (2) the financing of any estimated cost of the project in excess of the amount of the grant is assured by the appropriation of the proceeds of bonds or other funds of the subdivision, or by a grant from an agency of the federal government, within the amount of funds then appropriated to that agency and allocated by it to projects within the state, and by an irrevocable undertaking, in a resolution of the governing body of the subdivision, to use all funds so made available exclusively for the project, and to pay any additional amount by which the cost exceeds the estimate through appropriation to the construction fund of additional funds or the proceeds of additional bonds to be issued by the subdivision.

Sec. 6. Minnesota Statutes 2016, section 174.50, subdivision 6b, is amended to read:

Subd. 6b. **Bridge costs in smaller cities.** (a) The commissioner may make grants from the state transportation fund to a home rule or statutory city with a population of 5,000 or less for design, engineering, and construction of bridges on city streets.

~~(b) Grants under this subdivision are subject to the procedures and criteria established under subdivisions 5, 6, and 7.~~

~~(c)~~ (b) Grants may be used for:

(1) 100 percent of the design and engineering costs that are in excess of \$10,000;

(2) 100 percent of the bridge approach work costs that are in excess of \$10,000; and

(3) 100 percent of the bridge construction work costs.

Sec. 7. Minnesota Statutes 2016, section 174.50, subdivision 6c, is amended to read:

Subd. 6c. **Fracture-critical bridges.** ~~(a)~~ The commissioner may make a grant to any political subdivision for replacement or rehabilitation of a fracture-critical bridge. To be eligible for a grant under this subdivision, the project must produce a bridge structure:

(1) that is no longer classified as fracture critical, by having alternate load paths; and

(2) whose failure of a main component will not result in the collapse of the bridge.

~~(b) A grant under this subdivision is subject to the procedures and criteria established under subdivisions 5 and 6.~~

Sec. 8. Minnesota Statutes 2016, section 174.50, subdivision 7, is amended to read:

Subd. 7. **Bridge grant program; rulemaking.** (a) The commissioner of transportation shall develop rules, procedures for application for grants, conditions of grant administration, standards, and criteria as provided under subdivision 6, including bridge specifications, in cooperation with road authorities of political subdivisions, for use in the administration of funds appropriated to the commissioner and for the administration of grants to subdivisions. Grants under this section are subject to the procedures and criteria established in this subdivision and in subdivisions 5 and 6.

(b) The maximum use of standardized bridges is encouraged. Regardless of the size of the existing bridge, a bridge or replacement bridge is eligible for assistance from the state transportation fund if a hydrological survey indicates that the bridge or replacement bridge must be ten feet or more in length.

(c) As part of the standards or rules, the commissioner shall, in consultation with local road authorities, establish a minimum distance between any two bridges that cross over the same river, stream, or waterway, so that only one of the bridges is eligible for a grant under this section. As appropriate, the commissioner may establish exceptions from the minimum distance requirement or procedures for obtaining a variance.

(d) Political subdivisions may use grants made under this section to construct or reconstruct bridges, including but not limited to:

(1) matching federal aid grants to construct or reconstruct key bridges;

(2) paying the costs to abandon an existing bridge that is deficient and in need of replacement but where no replacement will be made; and

(3) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge if the commissioner determines that the bridge is deficient, and that construction of the road or street is more economical than replacement of the existing bridge.

(e) Funds appropriated to the commissioner from the Minnesota state transportation fund shall be segregated from the highway tax user distribution fund and other funds created by article XIV of the Minnesota Constitution.

(f) The commissioner is prohibited from awarding a grant under this section for a local bridge replacement or rehabilitation project with a total project cost estimate of \$7,000,000 or more.

(g) Notwithstanding paragraph (f), the commissioner may award a grant under this section for a portion of a local bridge replacement or rehabilitation project with a total project cost estimate of \$7,000,000 or more if every other local bridge replacement or rehabilitation project on the commissioner's priority list with a total project cost estimate of less than \$7,000,000 has been fully funded.

Sec. 9. **[219.016] HAZARDOUS MATERIALS RAIL SAFETY.**

Subdivision 1. **Program established.** A hazardous materials rail safety program is established for the purpose of reducing the risks associated with the transportation of oil, ethanol, and other hazardous material by rail.

Subd. 2. **Accounts established.** Two hazardous materials rail safety program accounts are created, one in the special revenue fund and one in the bond proceeds fund. The account in the special revenue fund consists of money as provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account. Money in each account is appropriated to the commissioner of transportation to make grants as provided in this section. Money in the accounts is available until spent, notwithstanding section 16A.28 or 16A.642.

Subd. 3. **Eligible applicant.** A county, statutory or home rule charter city, or town that is responsible for establishing and maintaining public highway-rail grade crossings on rail corridors transporting crude oil and other hazardous materials may apply to the commissioner for financial assistance under this section.

Subd. 4. **Eligible project.** (a) A project is eligible for a grant from the account in the bond proceeds fund if the project is for the acquisition or betterment of public land, buildings, and other public improvements of a capital nature within the meaning of the Minnesota Constitution, article XI, section 5, clause (a) or (i), including capital costs associated with hazardous materials rail safety projects on public highway-rail grade crossings. Qualifying capital costs include but are not limited to upgrades to existing protection systems, the closing of crossings and necessary roadwork, and reconstruction of at-grade crossings to full grade separations.

(b) A project is eligible for a grant from the account in the special revenue fund if it is for purposes described in paragraph (a) or other capital facility improvement purposes that support the purposes for which this grant program is established, including capital costs associated with planning, engineering, administration, and construction of public highway-rail grade crossing improvements on rail corridors transporting crude oil and other hazardous materials. Improvements may include upgrades to existing protection systems, the closing of crossings and necessary roadwork, and reconstruction of at-grade crossings to full grade separations.

Subd. 5. **Grants; criteria for grant award.** The commissioner must consider the following criteria to evaluate applications for a grant award under this section:

(1) whether the crossing was identified as a potential candidate for grade separation in the Department of Transportation's crude by rail grade crossing study (Improvements to Highway Grade Crossings and Rail Safety, December 2014);

(2) roadway traffic volumes and speeds;

(3) train volumes and speeds;

(4) adjacent land use;

(5) crash history;

(6) use of the crossing by emergency vehicles;

(7) use of the crossing by vehicles carrying hazardous materials; and

(8) local financial contributions to the project.

Subd. 6. **Process.** The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. An applicant must apply for a grant in the manner and at the times determined by the commissioner. The grant agreement must be approved by the commissioner of management and budget and is subject to cancellation under subdivision 7.

Subd. 7. **Grant cancellation.** If the commissioner determines that a grantee is unable to proceed with an approved project or has not expended or obligated the grant money within four years of entering into the grant agreement with the commissioner, the commissioner must cancel the grant. Money canceled under this subdivision is available for the commissioner to make other grants under this section.

Sec. 10. Minnesota Statutes 2016, section 446A.072, is amended to read:

446A.072 WASTEWATER WATER INFRASTRUCTURE FUNDING PROGRAM.

Subdivision 1. **Establishment of program.** The authority will establish a ~~wastewater~~ water infrastructure funding program to provide supplemental assistance to governmental units receiving funding through the clean water revolving fund program, the drinking water revolving fund program, or the United States Department of Agriculture Rural Economic and Community Development's (USDA/RECD) Water and Waste Disposal Loans and Grants program for the predesign, design, and construction of municipal wastewater ~~treatment and drinking water~~ systems, including purchase of land and easements. The purpose of the program is to assist governmental units demonstrating financial need to build cost-effective projects to address existing environmental or public health problems. To implement the program, the authority shall establish a ~~wastewater~~ water infrastructure fund to provide grants ~~and loans~~ for the purposes authorized under title VI of the Federal Water Pollution Control Act and the federal Safe Drinking Water Act. The fund shall be credited with all investment income from the fund and all repayments of loans, grants, and penalties.

Subd. 3. **Program administration.** (a) The authority shall provide supplemental assistance, as provided in subdivision 5a to governmental units:

(1) whose projects are listed on the Pollution Control Agency's project priority list or the Department of Health's project priority list;

(2) that demonstrate their projects are a cost-effective solution to an existing environmental or public health problem; and

(3) whose projects are approved by the USDA/RECD or certified by the commissioner of the Pollution Control Agency or the Department of Health.

(b) For a governmental unit receiving grant funding from the USDA/RECD, applications must be made to the USDA/RECD with additional information submitted to the authority as required by the authority. Eligible project costs and affordability criteria shall be determined by the USDA/RECD.

(c) For a governmental unit not receiving grant funding from the USDA/RECD, application must be made to the authority on forms prescribed by the authority for the clean water revolving fund program or the drinking water revolving fund program with additional information as required by the authority. In accordance with section 116.182, the Pollution Control Agency or Department of Health shall:

(1) calculate the essential project component percentage based on the portion of project costs necessary to convey or treat the existing wastewater flows and loadings or, for drinking water projects, to provide safe drinking water to meet existing needs, which must be multiplied by the total project cost to determine the eligible project cost for the program under this section; and

(2) review and certify approved projects to the authority.

(d) Each fiscal year the authority shall make funds available for projects based on their ranking on the Pollution Control Agency's project priority list or the Department of Health's project priority list. The authority shall reserve funds for a project when the applicant receives a funding commitment from the United States Department of Agriculture Rural Development (USDA/RECD) or ~~submits plans and specifications to the project~~ is certified by the Pollution Control Agency or Department of Health. Funds must be reserved in an amount based on the project cost estimate submitted to the authority ~~prior to the appropriation of the funds and awarded based on the lesser of that amount or the as-bid cost~~ when the project is certified or the as-bid cost, whichever is less.

Subd. 5a. **Type and amount of assistance.** (a) For a governmental unit receiving grant funding from the USDA/RECD, the authority may provide assistance in the form of a grant of up to 65 percent of the eligible grant need determined by USDA/RECD. A governmental unit may not receive a grant under this paragraph for more than ~~\$4,000,000~~ \$5,000,000 per project or ~~\$15,000~~ \$20,000 per existing connection, whichever is less, unless specifically approved by law.

(b) For a governmental unit receiving a loan from the clean water revolving fund under section 446A.07, the authority may provide assistance under this section in the form of a grant if the average annual residential wastewater system cost after completion of the project would otherwise exceed 1.4 percent of the median household income of the project service area. In determining whether the average annual residential wastewater system cost would exceed 1.4 percent, the authority must consider the total costs associated with building, operating, and maintaining the wastewater system, including existing wastewater debt service, debt service on the eligible project cost, and operation and maintenance costs. Debt service costs for the proposed project are calculated based on the maximum loan term permitted for the clean water revolving fund loan under section 446A.07, subdivision 7. The amount of the grant is equal to 80 percent of the amount needed to reduce the average annual residential wastewater system cost to 1.4 percent of median household income in the project service area, to a maximum of ~~\$4,000,000~~ \$5,000,000 per project or ~~\$15,000~~ \$20,000 per existing connection, whichever is less, unless specifically approved by law. The eligible project cost is determined by multiplying the total project costs minus any other grants by the essential project component percentage calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the grant exceed 80 percent of the eligible project cost.

(c) For a governmental unit receiving a loan from the drinking water revolving fund under section 446A.081, the authority may provide assistance under this section in the form of a grant if the average annual residential drinking water system cost after completion of the project would otherwise exceed 1.2 percent of the median household income of the project service area. In determining whether the average annual residential drinking water system cost would exceed 1.2 percent, the authority must consider the total costs associated with building, operating, and maintaining the drinking water system, including existing drinking water debt service, debt service on the eligible project cost, and operation and maintenance costs. Debt service costs for the proposed project are calculated based on the maximum loan term permitted for the drinking water revolving fund loan under section 446A.081, subdivision 8, paragraph (c). The amount of the grant is equal to 80 percent of the amount needed to reduce the average annual residential drinking water system cost to 1.2 percent of median household income in the project service area, to a maximum of \$5,000,000 per project or \$20,000 per existing connection, whichever is less, unless specifically approved by law. The eligible project cost is determined by multiplying the total project costs minus any other grants by the essential project component percentage calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the grant exceed 80 percent of the eligible project cost.

(e) ~~(d)~~ Notwithstanding the limits in paragraphs (a) ~~and~~, (b), ~~and~~ (c), for a governmental unit receiving supplemental assistance under this section after January 1, 2002, if the authority determines that the governmental unit's construction and installation costs are significantly increased due to geological conditions of crystalline bedrock or karst areas and discharge limits that are more stringent than secondary treatment, the maximum award under this section shall not be more than \$25,000 per existing connection.

~~Subd. 5b. **Special assessment deferral.** A governmental unit receiving a loan under subdivision 5a that levies special assessments to repay the loan under subdivision 5a or section 446A.07 may defer payment of such assessments under the provisions of sections 435.193 to 435.195.~~

Subd. 6. **Disbursements.** Disbursements of grants ~~or loans~~ awarded under this section by the authority to recipients must be made for eligible project costs as incurred by the recipients, and must be made by the authority in accordance with the project financing agreement and applicable state and federal laws and rules governing the payments.

~~Subd. 7. **Loan repayments.** Notwithstanding the limitations set forth in section 475.54, subdivision 1, this subdivision shall govern the maturities and mandatory sinking fund redemptions of the loans under this section. A governmental unit receiving a loan under this section shall repay the loan in semiannual payment amounts determined by the authority. The payment amount must be based on the average payments on the governmental unit's clean water revolving fund loan or, if greater, the minimum amount required to fully repay the loan by the maturity date. Payments must begin within one year of the date of the governmental unit's final payment on the clean water revolving fund loan. The final maturity date of the loan under this section must be no later than 20 years from the date of the first payment on the loan under this section and no later than 40 years from the date of the first payment on the clean water revolving fund loan.~~

Subd. 8. **Eligibility.** A governmental unit is eligible for assistance under this section only after applying for grant funding from other sources and funding has been obtained, rejected, or the authority has determined that the potential funding is unlikely.

Subd. 9. **Funding limitation.** Supplemental assistance may not be used to reduce the ~~sewer~~ service charges of a significant ~~wastewater contributor~~ industrial user that has a separate service charge agreement with the recipient, or a single user that has caused the need for the project or whose current or projected ~~flow and load exceed usage exceeds~~ exceeds one-half of the current wastewater ~~treatment plant's~~ or drinking water system capacity.

Subd. 11. **Report on needs.** By February 1 of each even-numbered year, the authority, in conjunction with the Pollution Control Agency and the Department of Health, shall prepare a report to the Finance Division of the senate Environment and Natural Resources Committee and the house of representatives Environment and Natural Resources Finance Committee on wastewater and drinking water funding assistance needs of governmental units under this section.

Subd. 12. **System replacement fund.** Each governmental unit receiving a ~~loan or grant~~ under this section shall establish a system replacement fund and shall annually deposit a minimum of \$.50 per 1,000 gallons of flow for major rehabilitation ~~or expansion, or replacement~~ of the treatment wastewater or drinking water system, or replacement of the treatment system at the end of its useful life. Money must remain in the account for the life of the corresponding project loan from the authority or USDA/RECD, unless use of the fund is approved in writing by the authority for major rehabilitation, expansion, or replacement of the ~~treatment wastewater or drinking water~~ system. By March 1 each year during the life of the loan, each recipient shall submit a report to the authority regarding the amount deposited and the fund balance for the prior calendar year. A recipient is not required to maintain a fund balance greater than the amount of the grant received. Failure to comply with the requirements of this subdivision shall result in the authority assessing a penalty fee to the recipient equal to one percent of the supplemental assistance amount for each year of noncompliance. ~~Failure to make the required deposit or pay the penalty fee as required constitutes a default on the loan.~~

Subd. 14. **Consistency with land use plans.** A governmental unit applying for a project in an unsewered area shall include in its application to the authority a certification from the county in which the project is located that:

- (1) the project is consistent with the county comprehensive land use plan, if the county has adopted one;
- (2) the project is consistent with the county water plan, if the county has adopted one; and
- (3) the county has adopted specific land use ordinances or controls so as to meet or exceed the requirements of Minnesota Rules, part 7082.0050.

Sec. 11. Minnesota Statutes 2016, section 446A.073, is amended to read:

446A.073 POINT SOURCE IMPLEMENTATION GRANTS.

Subdivision 1. **Program established.** When money is appropriated for grants under this program, the authority shall award grants up to a maximum of ~~\$3,000,000~~ \$7,000,000 to governmental units to cover ~~up to one-half~~ 80 percent of the cost of water infrastructure projects made necessary by:

(1) a wasteload reduction prescribed under a total maximum daily load plan required by section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313(d);

(2) a phosphorus concentration or mass limit which requires discharging one milligram per liter or less at permitted design flow which is incorporated into a permit issued by the Pollution Control Agency;

(3) any other water quality-based effluent limit established under section 115.03, subdivision 1, paragraph (e), clause (8), and incorporated into a permit issued by the Pollution Control Agency that exceeds secondary treatment limits; or

(4) a total nitrogen concentration or mass limit of that requires discharging ten milligrams per liter or less ~~for a land-based treatment system at permitted design flow.~~

Subd. 2. **Grant application.** Application for a grant must be made to the authority on forms prescribed by the authority ~~for the total maximum daily load grant program, with additional information as required by the authority, including a project schedule and cost estimate for the work necessary to comply with the point source wasteload allocation requirements listed in subdivision 1.~~ The Pollution Control Agency shall:

(1) ~~in accordance with section 116.182, calculate the essential project component percentage, which must be multiplied by the total project cost to determine the eligible project cost; and~~

(2) ~~review and certify to the authority those projects that have plans and specifications approved under section 115.03, subdivision 1, paragraph (f).~~

Subd. 3. **Project priorities.** ~~When money is appropriated for grants under this program,~~ The authority shall accept applications under this program during the month of July ~~and.~~ When a project is certified by the Pollution Control Agency the authority shall reserve money for projects expected to proceed with construction by the end of the fiscal year the project in the order listed on the Pollution Control Agency's project priority list and in an amount based on the cost estimate submitted to the authority ~~in the grant application~~ when the project is certified or the as-bid costs, whichever is less. Notwithstanding Minnesota Rules, chapter 7077, the Pollution Control Agency may rank a drinking water infrastructure project on the agency's project priority list if the project is necessary to meet an applicable requirement in subdivision 1.

Subd. 4. **Grant approval.** The authority must make a grant for an eligible project only after:

(1) the applicant has submitted the as-bid cost for the water infrastructure project;

(2) the Pollution Control Agency has ~~approved the as-bid costs and~~ certified the grant eligible portion of the project; and

(3) the authority has determined that the additional financing necessary to complete the project has been committed from other sources.

Subd. 5. **Grant disbursement.** Disbursement of a grant must be made for eligible project costs as incurred by the governmental unit and in accordance with a project financing agreement and applicable state and federal laws and rules governing the payments.

Sec. 12. Minnesota Statutes 2016, section 446A.081, subdivision 9, is amended to read:

Subd. 9. **Other uses of fund.** (a) The drinking water revolving loan fund may be used as provided in the act, including the following uses:

(1) to buy or refinance the debt obligations, at or below market rates, of public water systems for drinking water systems, where the debt was incurred after the date of enactment of the act, for the purposes of construction of the necessary improvements to comply with the national primary drinking water regulations under the federal Safe Drinking Water Act;

(2) to purchase or guarantee insurance for local obligations to improve credit market access or reduce interest rates;

(3) to provide a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the authority if the bond proceeds are deposited in the fund;

(4) to provide loans or loan guarantees for similar revolving funds established by a governmental unit or state agency;

(5) to earn interest on fund accounts;

(6) to pay the reasonable costs incurred by the authority, the Department of Employment and Economic Development, and the Department of Health for conducting activities as authorized and required under the act up to the limits authorized under the act;

(7) to develop and administer programs for water system supervision, source water protection, and related programs required under the act;

(8) notwithstanding Minnesota Rules, part 7380.0280, to provide principal forgiveness or grants to the extent permitted under the federal Safe Drinking Water Act and other federal law, based on the criteria and requirements established for drinking water projects under the water infrastructure funding program under section 446A.072;

(9) to provide loans, principal forgiveness or grants to the extent permitted under the federal Safe Drinking Water Act and other federal law to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities; and

(10) to provide principal forgiveness, or grants for 50 percent of the project cost up to a maximum of \$10,000 for projects needed to comply with national primary drinking water standards for an existing community or noncommunity public water system.

~~(b) Principal forgiveness or grants under paragraph (a), clause (8), must only be provided if the average annual residential drinking water system cost after completion of the project would otherwise exceed 1.2 percent of the median household income in the project service area. In determining whether the average annual residential drinking water system cost would exceed 1.2 percent, the authority must consider the total costs associated with building, operating, and maintaining the drinking water system, including debt service and operation and maintenance costs. Debt service costs for the proposed project must be calculated based on the maximum loan term permitted for the drinking water revolving fund loan under this section. The amount of the principal forgiveness or~~

~~grant must be equal to 80 percent of the amount needed to reduce the average annual residential drinking water system cost to 1.2 percent of median household income in the project service area, to a maximum of \$4,000,000 or \$15,000 per connection, whichever is less, and not to exceed 80 percent of the total project cost.~~

(~~e~~) (b) Principal forgiveness or grants provided under paragraph (a), clause (9), may not exceed 25 percent of the eligible project costs as determined by the Department of Health for project components directly related to green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities, up to a maximum of \$1,000,000.

~~(d) The authority may reduce the percentage of median household income at which a loan term could extend to 30 years under subdivision 8, paragraph (c), and at which principal forgiveness or grants could be provided under paragraph (b) if it determines that the federal money allotted to the state cannot be fully utilized without the reduction. If it determines that the reduction is necessary to fully utilize the federal money, the authority must effect the change through its approval of the annual intended use plan.~~

Sec. 13. Minnesota Statutes 2016, section 446A.12, subdivision 1, is amended to read:

Subdivision 1. **Bonding authority.** The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers, but not including the making of grants. Bonds of the authority may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and outstanding under this section at any time may not exceed ~~\$1,500,000,000~~ \$2,000,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued, and excluding any bonds issued for the credit enhanced bond program or refunding or crossover refunding bonds issued under the program. The principal amount of bonds issued and outstanding under section 446A.087, may not exceed \$500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued.

Sec. 14. Minnesota Statutes 2016, section 462A.37, subdivision 2a, is amended to read:

Subd. 2a. **Additional authorization.** In addition to the amount authorized in subdivision 2, the agency may issue up to ~~\$80,000,000~~ \$95,000,000 of housing infrastructure bonds in one or more series to which the payments made under this section may be pledged.

Sec. 15. Minnesota Statutes 2016, section 462A.37, subdivision 2b, is amended to read:

Subd. 2b. **Additional authorization.** In addition to the amount authorized in subdivisions 2 and 2a, the agency may issue up to ~~\$10,000,000~~ \$15,000,000 of housing infrastructure bonds in one or more series to which the payments made under this section may be pledged.

Sec. 16. Minnesota Statutes 2016, section 462A.37, is amended by adding a subdivision to read:

Subd. 2c. **Additional authorization.** In addition to the amount authorized in subdivisions 2, 2a, and 2b, the agency may issue up to \$35,000,000 in housing infrastructure bonds in one or more series to which the payments under this section may be pledged.

Sec. 17. Minnesota Statutes 2016, section 462A.37, subdivision 5, is amended to read:

Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under subdivisions 2a ~~and~~ 2b, and 2c.

(b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure bonds issued under subdivision 2a remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure bonds issued under subdivision 2b remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(d) Each July 15, beginning in 2018 and through 2039, if any housing infrastructure bonds issued under subdivision 2c remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$1,250,000 in fiscal year 2018 and \$2,800,000 annually thereafter. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(e) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

Sec. 18. Laws 2006, chapter 258, section 18, subdivision 6, as amended by Laws 2013, chapter 136, section 13, is amended to read:

Subd. 6. **Systemwide Redevelopment, Reuse, or Demolition**

5,000,000

To abate hazardous materials, design, construct, or improve basic infrastructure, including sanitary and storm sewer and water lines, public streets, curb, gutter, street lights, or sidewalks, to make improvements for building envelope and structural integrity for the purposes of stabilizing the buildings for sale, demolish all or portions of surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional, or deteriorated facilities and infrastructure to facilitate redevelopment of Department of Human Services campuses that the commissioner of administration is authorized to convey to a local unit of government under Laws 2005, chapter 20, article 1, section 46, or other law. These projects must facilitate the redevelopment or reuse of these campuses and must be implemented consistent with the comprehensive redevelopment plans developed and approved under Laws 2003, First Special Session chapter 14, article 6, section 64, subdivision 2, unless expressly provided otherwise. If a surplus campus is sold or transferred to a local unit of government, unspent portions of this appropriation may be granted to that local unit of government for the purposes stated in this

subdivision. Notwithstanding the inclusion of the unencumbered and unobligated balance of the bond sale authorization and appropriation of bond proceeds in this subdivision in the report submitted to the legislature in January 2017 pursuant to Minnesota Statutes, section 16A.642, the unencumbered and obligated balance of the bond sale authorization and appropriation of bond proceeds in this subdivision are, estimated to be \$1,991,456.32, is reauthorized and available until December 31, 2016 2020.

Sec. 19. Laws 2012, chapter 293, section 7, subdivision 3, is amended to read:

Subd. 3. **Dam Repair, Reconstruction, and Removal** 3,000,000

To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515. Notwithstanding the match requirements in Minnesota Statutes, section 103G.511, a grant to the city of Lanesboro does not require any nonstate match.

Sec. 20. Laws 2012, chapter 293, section 17, subdivision 4, is amended to read:

Subd. 4. **Phillips Community Center** 1,750,000

For a grant to the Minneapolis Park and Recreation Board to predesign, design, engineer, reconstruct, renovate, furnish, and equip the Phillips Community Center indoor competitive swimming pool and to predesign, design, engineer, and construct an additional indoor multipurpose family pool and facilities associated with an aquatic center in the community center, subject to Minnesota Statutes, section 16A.695.

This appropriation is not available until the commissioner determines that at least \$350,000 is committed from nonstate sources.

Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project are available until December 31, 2022.

Sec. 21. Laws 2014, chapter 294, article 1, section 17, subdivision 12, is amended to read:

Subd. 12. **West St. Paul - ~~North Urban~~ River to River Regional Trail Bridge Greenway** 2,000,000

For a grant to the city of West St. Paul to predesign, design, and construct a ~~pedestrian bridge for the North Urban Regional Trail as an overpass~~ grade separated crossing of Robert Street in the area near Wentworth Avenue in West St. Paul ~~for the River to River Regional Greenway~~. This appropriation may also be used to acquire property or purchase rights-of-way needed for ~~bridge~~ construction. A nonstate match is not required.

Sec. 22. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 3, is amended to read:

Subd. 3. **Local Road Improvement Fund Grants** 8,910,000

(a) From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

(b) This appropriation includes \$850,000 for a grant to the city of Sandstone for predesign, design, engineering, and construction of a road extending south off of marked Trunk Highway 23 across from Lundorff Drive to the airport area, and including a bridge over Skunk Creek in Sandstone, in order to facilitate repurposing of an area of the airport into a business park. This appropriation is not available until the commissioner of management and budget determines that sufficient resources to complete the project are committed to it from other sources, including any funds made available from the commissioner of transportation.

(c) This appropriation includes \$3,770,000 for a grant to Kandiyohi County for construction and reconstruction of local roads ~~to facilitate the construction of highway rail grade separations at U.S. Highway 12 and Minnesota Highway 40 as part of~~ in conjunction with the Willmar Wye project as well as to re-establish the local road network on the southwest side of Willmar.

Sec. 23. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 7, is amended to read:

Subd. 7. **Richfield - 77th Street Underpass** 10,000,000

For a grant to the city of Richfield for right-of-way acquisition ~~and construction of~~ for an extension of 77th Street under marked Trunk Highway 77/Cedar Avenue in the city of Richfield to provide local and regional access between Richfield, the Minneapolis/St. Paul International Airport, the city of Bloomington, and the Mall of America. After right-of-way acquisition is completed, the city may use any remaining money appropriated in this subdivision for construction of the extension. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for the project in this subdivision are available until December 31, 2021.

Sec. 24. **NATIONAL SPORTS CENTER; LEASE.**

Notwithstanding Minnesota Statutes, sections 16A.695, 16B.24, and 240A.03, subdivision 6, the Minnesota Amateur Sports Commission may lease for educational purposes that portion of property described as a portion of the property acquired by the commission pursuant to Laws 1987, chapter 400, section 8, subdivision 3, not currently needed for amateur sports purposes to Independent School District No. 16, Spring Lake Park. The lease shall be in a

form approved by the attorney general and for a term not to exceed 99 years. The lease may provide for the provision of capital improvements or other performance by the tenant in lieu of all or some of the payments of rent that would otherwise be required. Any lease revenues paid to the commission are appropriated to the commission.

Sec. 25. **REVISOR'S INSTRUCTION.**

In Minnesota Statutes, the revisor of statutes shall replace references to Minnesota Statutes, section 123A.446, with Minnesota Statutes, section 123A.445.

Sec. 26. **REPEALER.**

Minnesota Statutes 2016, section 123A.446, is repealed.

Sec. 27. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; modifying previous appropriations; establishing new programs and modifying existing programs; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2016, sections 16A.967; 84.946, subdivision 2; 85.34, subdivision 1; 174.50, subdivisions 5, 6b, 6c, 7; 446A.072; 446A.073; 446A.081, subdivision 9; 446A.12, subdivision 1; 462A.37, subdivisions 2a, 2b, 5, by adding a subdivision; Laws 2006, chapter 258, section 18, subdivision 6, as amended; Laws 2012, chapter 293, sections 7, subdivision 3; 17, subdivision 4; Laws 2014, chapter 294, article 1, section 17, subdivision 12; Laws 2015, First Special Session chapter 5, article 1, section 10, subdivisions 3, 7; proposing coding for new law in Minnesota Statutes, chapters 16C; 219; repealing Minnesota Statutes 2016, section 123A.446."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Knoblach from the Committee on Ways and Means to which was referred:

S. F. No. 1564, A bill for an act relating to transportation; designating a segment of marked Trunk Highway 65 in Isanti County as Chip A. Imker Memorial Highway; amending Minnesota Statutes 2016, section 161.14, by adding a subdivision.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 892 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 514 and 1564 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Dean, M., introduced:

H. F. No. 2675, A bill for an act relating to taxation; income; extending the small business investment credit; amending Minnesota Statutes 2016, section 116J.8737, subdivisions 5, 12; Laws 2010, chapter 216, section 12, as amended.

The bill was read for the first time and referred to the Committee on Taxes.

Dean, M., introduced:

H. F. No. 2676, A bill for an act relating to health; establishing a public health response contingency account; authorizing the commissioner of health to use funds from the account for certain purposes; transferring money; proposing coding for new law in Minnesota Statutes, chapter 144.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.

Nornes introduced:

H. F. No. 2677, A bill for an act relating to capital investment; appropriating money for redevelopment of the former Fergus Falls Regional Treatment Center; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Albright, Lesch, Zerwas and Hilstrom introduced:

H. F. No. 2678, A bill for an act relating to health care; modifying health plan contracting requirements; amending Minnesota Statutes 2016, sections 62Q.733, subdivision 3; 62Q.735, subdivisions 2, 5.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Uglem, Newberger and Hornstein introduced:

H. F. No. 2679, A bill for an act relating to public safety; increasing penalties for distracted driving violations; amending Minnesota Statutes 2016, section 169.475, subdivision 2.

The bill was read for the first time and referred to the Committee on Transportation and Regional Governance Policy.

Freiberg; Maye Quade; Considine; Applebaum; Davnie; Sauke; Johnson, S.; Omar; Ward; Allen; Bernardy; Slocum; Metsa and Mariani introduced:

H. F. No. 2680, A resolution calling on Congress to appoint a special prosecutor to investigate Russian interference in the 2016 United States presidential election and the extent to which members of the current executive branch were aware of such interference.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 140, A bill for an act relating to education; restructuring Minnesota's teacher licensing system; establishing the Professional Educator Licensing and Standards Board; transferring all teacher licensing and support personnel licensing and credentialing authority to the Professional Educator Licensing and Standards Board; providing for rulemaking; requiring a report; amending Minnesota Statutes 2016, sections 120B.363, subdivision 1; 122A.06; 122A.07; 122A.08; 122A.09, subdivisions 1, 2, 3, 4, 4a, 6, 7, 9, 10; 122A.17; 122A.18, subdivisions 1, 2, 2b, 7a, 7c, 8, by adding a subdivision; 122A.19; 122A.20; 122A.22; 122A.23, subdivision 3; 122A.245, subdivisions 1, 2, 3, 5, 6, 9, 10; 122A.26, subdivision 2; 122A.28; 122A.29; 122A.30; 124D.13, subdivision 11; 124D.454, subdivision 12; 124D.75, subdivisions 1, 6; 125A.67, subdivision 2; 127A.05, subdivision 6; 136A.1791, subdivision 1; 214.04, subdivisions 1, 3; 214.045; proposing coding for new law in Minnesota Statutes, chapter 122A; repealing Minnesota Statutes 2016, sections 122A.09, subdivisions 5, 8, 11; 122A.14, subdivision 5; 122A.162; 122A.163; 122A.18, subdivisions 2a, 3, 3a, 4, 4a, 6, 7, 7b; 122A.21, subdivision 2; 122A.23, subdivisions 1, 2; 122A.245, subdivisions 7, 8; 122A.25.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 676, A bill for an act relating to commerce; regulating landscape application contracts; providing an exclusion; amending Minnesota Statutes 2016, section 325F.245, subdivision 6.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 788, 1354 and 1568.

CAL R. LUDEMAN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 788, A bill for an act relating to public safety; eliminating the prerequisite of pretrial filing of a transcript for admission into evidence of law enforcement body camera recordings; amending Minnesota Statutes 2016, section 634.36.

The bill was read for the first time and referred to the Committee on Public Safety and Security Policy and Finance.

S. F. No. 1354, A bill for an act relating to local government; amending provisions relating to police and firefighters' civil service commissions and employees of police and fire departments; amending Minnesota Statutes 2016, sections 420.03; 420.04; 420.16.

The bill was read for the first time.

Flanagan moved that S. F. No. 1354 and H. F. No. 1640, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1568, A bill for an act relating to data practices; delaying expiration of the legislative commission on data practices; amending Minnesota Statutes 2016, section 3.8843, subdivision 7.

The bill was read for the first time and referred to the Committee on State Government Finance.

ANNOUNCEMENT BY THE SPEAKER PURSUANT TO RULE 1.15(c)

A message from the Senate has been received requesting concurrence by the House to amendments adopted by the Senate to the following House File:

H. F. No. 1242.

Kresha moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

There being no objection, the order of business reverted to Reports of Standing Committees and Divisions.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Garofalo from the Committee on Job Growth and Energy Affordability Policy and Finance to which was referred:

H. F. No. 739, A bill for an act relating to telecommunications; providing for collocation of small wireless facilities; amending Minnesota Statutes 2016, sections 237.162, subdivisions 2, 4, 9, by adding subdivisions; 237.163, subdivisions 2, 4, 6, by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 237.162, subdivision 2, is amended to read:

Subd. 2. **Local government unit.** "Local government unit" means a county, home rule charter or statutory city, ~~or town, or the Metropolitan Council.~~

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2016, section 237.162, subdivision 4, is amended to read:

Subd. 4. **Telecommunications right-of-way user.** (a) "Telecommunications right-of-way user" means a person owning or controlling a facility in the public right-of-way, or seeking to own or control a facility in the public right-of-way, that is used or is intended to be used for providing wireless service, or transporting telecommunications or other voice or data information.

(b) A cable communication system defined and regulated under chapter 238, and telecommunications activities related to providing natural gas or electric energy services ~~whether provided by,~~ a public utility as defined in section 216B.02, a municipality, a municipal gas or power agency organized under chapter 453 or 453A, or a cooperative electric association organized under chapter 308A, are not telecommunications right-of-way users for the purposes of this section and section 237.163, except to the extent these entities are offering wireless services.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2016, section 237.162, subdivision 9, is amended to read:

Subd. 9. **Management costs or rights-of-way management costs.** (a) "Management costs" or "rights-of-way management costs" means the actual costs a local government unit incurs in managing its public rights-of-way, and includes such costs, if incurred, as those associated with registering applicants; issuing, processing, and verifying right-of-way or small wireless facility permit applications; inspecting job sites and restoration projects; maintaining, supporting, protecting, or moving user equipment during public right-of-way work; determining the adequacy of right-of-way restoration; restoring work inadequately performed after providing notice and the opportunity to correct the work; and revoking right-of-way or small wireless facility permits.

(b) Management costs do not include:

(1) payment by a telecommunications right-of-way user for the use of the public right-of-way;

(2) unreasonable fees of a third-party contractor used by a local government unit as part of managing its public rights-of-way, including but not limited to any third-party contractor fee tied to or based upon customer counts, access lines, revenue generated by the telecommunications right-of-way user, or revenue generated for a local government unit; or

(3) the fees and cost of litigation relating to the interpretation of this section or section 237.163 or any ordinance enacted under those sections, or the local unit of government's fees and costs related to appeals taken pursuant to section 237.163, subdivision 5.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to read:

Subd. 10. **Collocate.** "Collocate" or "collocation" means to install, mount, maintain, modify, operate, or replace a small wireless facility on, under, within, or adjacent to an existing wireless support structure that is owned privately or by a local government unit.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 5. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to read:

Subd. 11. **Small wireless facility.** "Small wireless facility" means:

(1) a wireless facility that meets both of the following qualifications:

(i) each antenna is located inside an enclosure of no more than six cubic feet in volume or, in the case of an antenna that has exposed elements, the antenna and all its exposed elements could fit within an enclosure of no more than six cubic feet; and

(ii) all other wireless equipment associated with the small wireless facility, excluding electric meters, concealment elements, telecommunications demarcation boxes, battery backup power systems, grounding equipment, power transfer switches, cutoff switches, cable, conduit, vertical cable runs for the connection of power and other services, and any equipment concealed from public view within or behind an existing structure or concealment, is in aggregate no more than 28 cubic feet in volume; or

(2) a micro wireless facility.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 6. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to read:

Subd. 12. **Utility pole.** "Utility pole" means a pole that is used in whole or in part to facilitate telecommunications or electric service.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 7. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to read:

Subd. 13. Wireless facility. (a) "Wireless facility" means equipment at a fixed location that enables the provision of wireless services between user equipment and a wireless service network, including:

(1) equipment associated with wireless service;

(2) a radio transceiver, antenna, coaxial or fiber-optic cable, regular and backup power supplies, and comparable equipment, regardless of technological configuration; and

(3) a small wireless facility.

(b) "Wireless facility" does not include:

(1) wireless support structures;

(2) wireline backhaul facilities; or

(3) coaxial or fiber-optic cables (i) between utility poles or wireless support structures, or (ii) that are not otherwise immediately adjacent to or directly associated with a specific antenna.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 8. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to read:

Subd. 14. Micro wireless facility. "Micro wireless facility" means a small wireless facility that is no larger than 24 inches long, 15 inches wide, and 12 inches high, and whose exterior antenna, if any, is no longer than 11 inches.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 9. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to read:

Subd. 15. Wireless service. "Wireless service" means any service using licensed or unlicensed wireless spectrum, including the use of Wi-Fi, whether at a fixed location or by means of a mobile device, that is provided using wireless facilities. Wireless service does not include services regulated under Title VI of the Communications Act of 1934, as amended, including a cable service under United States Code, title 47, section 522, clause (6).

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 10. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to read:

Subd. 16. Wireless support structure. "Wireless support structure" means a new or existing structure in a public right-of-way designed to support or capable of supporting wireless facilities, as reasonably determined by a local government unit.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 11. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to read:

Subd. 17. **Wireline backhaul facility.** "Wireline backhaul facility" means a facility used to transport communications data by wire from a wireless facility to a communications network.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 12. Minnesota Statutes 2016, section 237.163, subdivision 2, is amended to read:

Subd. 2. **Generally.** (a) Subject to this section, a telecommunications right-of-way user authorized to do business under the laws of this state or by license of the Federal Communications Commission may construct, maintain, and operate small wireless facilities, conduit, cable, switches, and related appurtenances and facilities along, across, upon, above, and under any public right-of-way.

(b) Subject to this section, a local government unit has the authority to manage its public rights-of-way and to recover its rights-of-way management costs. Except as provided in subdivisions 3a, 3b, and 3c, the authority defined in this section may be exercised at the option of the local government unit. ~~The exercise of this authority and is not mandated under this section.~~ A local government unit may, by ordinance:

(1) require a telecommunications right-of-way user seeking to excavate or obstruct a public right-of-way for the purpose of providing telecommunications services to obtain a right-of-way permit to do so and to impose permit conditions consistent with the local government unit's management of the right-of-way;

(2) require a telecommunications right-of-way user using, occupying, or seeking to use or occupy a public right-of-way for the purpose of providing telecommunications services to register with the local government unit by providing the local government unit with the following information:

(i) the applicant's name, gopher state one-call registration number under section 216D.03, address, and telephone and facsimile numbers;

(ii) the name, address, and telephone and facsimile numbers of the applicant's local representative;

(iii) proof of adequate insurance; and

(iv) other information deemed reasonably necessary by the local government unit for the efficient administration of the public right-of-way; and

(3) require telecommunications right-of-way users to submit to the local government unit plans for construction and major maintenance that provide reasonable notice to the local government unit of projects that the telecommunications right-of-way user expects to undertake that may require excavation and obstruction of public rights-of-way.

(c) A local government unit may also require a telecommunications right-of-way user that is registered with the local government unit pursuant to paragraph (b), clause (2), to periodically update the information in its registration application.

(d) Notwithstanding sections 394.34 and 462.355, or any other law, a local government unit must not establish a moratorium with respect to:

(1) filing, receiving, or processing applications for right-of-way or small wireless facility permits; or

(2) issuing or approving right-of-way or small wireless facility permits.

(e) A telecommunications right-of-way user may place a new wireless support structure or collocate small wireless facilities on wireless support structures located within a public right-of-way, subject to the approval procedures under this section and, for collocation on wireless support structures owned by a local government unit, the reasonable terms, conditions, and rates set forth under this section. A local government unit may prohibit, regulate, or charge a fee to install wireless support structures or to collocate small wireless facilities only as provided in this section.

(f) The placement of wireless support structures and small wireless facilities is a permitted use in a public right-of-way, except that a local government unit may require a person to obtain a special or conditional land use permit to install a new wireless support structure for the siting of a small wireless facility on property zoned and used exclusively for single-family residential use or within a historic district established by state law or city ordinance as of the date of application for a small wireless facility permit. This paragraph does not apply to areas outside a public right-of-way that are zoned and used exclusively for single-family residential use.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 13. Minnesota Statutes 2016, section 237.163, is amended by adding a subdivision to read:

Subd. 3a. Small wireless facility permits; general. (a) A local government unit:

(1) may require a telecommunications right-of-way user to obtain a permit or permits under this section to place a new wireless support structure or collocate a small wireless facility in a public right-of-way managed by the local government unit;

(2) must not require an applicant for a small wireless facility permit to provide any information that:

(i) has previously been provided to the local government unit by the applicant in an application for a small wireless permit; and

(ii) is discriminatory in terms of the type of information the local government unit requires from a provider of nonwireless telecommunications services, except for information related to demonstrating compliance with applicable Federal Communications Commission regulations governing radio frequency exposure, or other information required by this section;

(3) must ensure that any application for a small wireless facility permit is processed on a nondiscriminatory basis; and

(4) must specify that the term of a small wireless facility permit is equal to the length of time that the small wireless facility is in use, unless the permit is revoked under this section.

(b) An applicant may file a consolidated permit application to collocate up to 15 small wireless facilities, or a greater number if agreed to by a local government unit, provided that all the small wireless facilities in the application:

(1) are located within a two-mile radius;

(2) consist of substantially similar equipment; and

(3) are to be placed on similar types of wireless support structures.

In rendering a decision on a consolidated permit application, a local government unit may approve a permit for some small wireless facilities and deny a permit for others, but may not use denial of one or more permits as a basis to deny all the small wireless facilities in the application.

(c) If a local government unit receives applications within a single seven-day period from one or more applicants seeking approval of permits for more than 30 small wireless facilities, the local government unit may extend the 90-day deadline imposed in subdivision 3c by an additional 30 days. If a local government unit elects to invoke this extension, it must inform in writing any applicant to whom the extension will be applied.

(d) A local government unit is prohibited from requiring a person to pay a fee, obtain a small wireless facility permit, or enter into a small wireless facility collocation agreement solely in order to conduct any of the following activities:

(1) routine maintenance of a small wireless facility;

(2) replacement of a small wireless facility with a new facility that is substantially similar or smaller in size, weight, height, and wind or structural loading than the small wireless facility being replaced; or

(3) installation, placement, maintenance, operation, or replacement of micro wireless facilities that are suspended on cables strung between existing utility poles in compliance with national safety codes.

A local government unit may require advance notification of these activities if the work will obstruct a public right-of-way.

(e) Nothing in this subdivision affects the need for an entity seeking to place a small wireless facility on a wireless support structure that is not owned by a local government unit to obtain from the owner of the wireless support structure any necessary authority to place the small wireless facility, nor shall any provision of this chapter be deemed to affect the rates, terms, and conditions for access to or placement of a small wireless facility or a wireless support structure not owned by a local government unit. This subdivision does not affect any existing agreement between a local government unit and an entity concerning the placement of small wireless facilities on local government unit-owned wireless support structures.

(f) No later than six months after the effective date of this act or three months after receiving a small wireless facility permit application from a wireless service provider, a local government unit that has elected to set forth terms and conditions of collocation in a standard small wireless facility collocation agreement shall develop and make available an agreement that complies with the requirements of this section and section 237.162. A standard small wireless facility collocation agreement shall be written to be substantially complete so that a wireless service provider may accept it with little substantive negotiation. Notwithstanding any law to the contrary, the parties to a small wireless facility collocation agreement may incorporate additional terms and conditions mutually agreed upon into a small wireless facility collocation agreement. A small wireless facility collocation agreement between a local government unit and a wireless service provider is considered public data not on individuals and is accessible to the public under section 13.03.

(g) An approval of a small wireless facility permit under this section authorizes the installation, placement, maintenance, or operation of a small wireless facility to provide wireless service and shall not be construed to confer authorization to (1) provide any service other than a wireless service, or (2) install, place, maintain, or operate a wireline backhaul facility in the right-of-way.

(h) The terms and conditions of collocation under this subdivision:

(1) may be set forth in a small wireless facility collocation agreement, if a local government unit elects to utilize such an agreement;

(2) must be nondiscriminatory, competitively neutral, and commercially reasonable; and

(3) must comply with this section and section 237.162.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 14. Minnesota Statutes 2016, section 237.163, is amended by adding a subdivision to read:

Subd. 3b. **Small wireless facility permits; placement.** (a) A local government unit may not require the placement of small wireless facilities on any specific wireless support structure other than the wireless support structure proposed in the permit application.

(b) A local government unit must not limit the placement of small wireless facilities, either by minimum separation distances between small wireless facilities or maximum height limitations, except that each wireless support structure installed in the right-of-way after the effective date of this act shall not exceed 50 feet above ground level, unless the local government unit agrees to a greater height.

(c) Notwithstanding paragraph (b), a wireless support structure that replaces an existing wireless support structure that is higher than 50 feet above ground level may be placed at the height of the existing wireless support structure, unless the local government unit agrees to a greater height.

(d) Wireless facilities constructed in the right-of-way after the effective date of this act may not extend more than ten feet above an existing wireless support structure in place as of the effective date of this act.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 15. Minnesota Statutes 2016, section 237.163, is amended by adding a subdivision to read:

Subd. 3c. **Small wireless facility permits; approval.** (a) Except as provided in subdivision 4, a local government unit shall issue a small wireless facility permit to a telecommunications right-of-way user seeking to install a new or replacement wireless support structure for a small wireless facility, or to collocate a small wireless facility on a wireless support structure in a public right-of-way. In processing and approving a small wireless facility permit, a local government unit may condition its approval on compliance with:

(1) generally applicable and reasonable health, safety, and welfare regulations consistent with the local government unit's public right-of-way management;

(2) reasonable accommodations for decorative utility poles or signs; and

(3) any reasonable restocking, replacement, or relocation requirements when a new wireless support structure is placed in a public right-of-way.

(b) A local government unit has 90 days after the date a small wireless facility permit application is filed to issue or deny the permit, or the permit is automatically issued. To toll the 90-day clock, the local government unit must provide a written notice of incompleteness to the applicant within 30 days of receipt of the application, clearly and specifically delineating all missing documents or information. Information delineated in the notice is limited to documents or information publicly required as of the date of application and reasonably related to a local government unit's determination whether the proposed equipment falls within the definition of a small wireless

facility and whether the proposed deployment satisfies all health, safety, and welfare regulations applicable to the small wireless facility permit request. Upon an applicant's submittal of additional documents or information in response to a notice of incompleteness, the local government unit has ten days to notify the applicant in writing of any information requested in the initial notice of incompleteness that is still missing. Second or subsequent notices of incompleteness may not specify documents or information that were not delineated in the original notice of incompleteness. Requests for information not requested in the initial notice of incompleteness do not toll the 90-day clock. Parties can mutually agree in writing to toll the 90-day clock at any time. Section 15.99 does not apply to this paragraph or paragraph (c).

For the purposes of this subdivision, "toll the 90-day clock" means to halt the progression of days that count towards the 90-day deadline.

(c) Except as provided in subdivision 3a, paragraph (c), a small wireless facility permit and any associated encroachment or building permit required by a local government unit, are deemed approved if the local government unit fails to approve or deny the application within 90 days after the permit application has been filed, unless the applicant and the local government unit have mutually agreed in writing to extend the 90-day deadline.

(d) Nothing in this subdivision precludes a local government unit from applying generally applicable and reasonable health, safety, and welfare regulations when evaluating and deciding to approve or deny a small wireless facility permit.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 16. Minnesota Statutes 2016, section 237.163, subdivision 4, is amended to read:

Subd. 4. **Permit denial or revocation.** (a) A local government unit may deny any application for a right-of-way or small wireless facility permit if the telecommunications right-of-way user does not comply with a provision of this section.

(b) A local government unit may deny an application for a right-of-way permit if the local government unit determines that the denial is necessary to protect the health, safety, and welfare or when necessary to protect the public right-of-way and its current use.

(c) A local government unit may revoke a right-of-way or small wireless facility permit granted to a telecommunications right-of-way user, with or without fee refund, in the event of a substantial breach of the terms and conditions of statute, ordinance, rule, or regulation or any material condition of the permit. A substantial breach by a permittee includes, but is not limited to, the following:

- (1) a material violation of a provision of the right-of-way or small wireless facility permit;
- (2) an evasion or attempt to evade any material provision of the right-of-way or small wireless facility permit, or the perpetration or attempt to perpetrate any fraud or deceit upon the local government unit or its citizens;
- (3) a material misrepresentation of fact in the right-of-way or small wireless facility permit application;
- (4) a failure to complete work in a timely manner, unless a permit extension is obtained or unless the failure to complete work is due to reasons beyond the permittee's control; and
- (5) a failure to correct, in a timely manner, work that does not conform to applicable standards, conditions, or codes, upon inspection and notification by the local government unit of the faulty condition.

(d) Subject to this subdivision, a local government unit may not deny an application for a right-of-way or small wireless facility permit for failure to include a project in a plan submitted to the local government unit under subdivision 2, paragraph (b), clause (3), when the telecommunications right-of-way user has used commercially reasonable efforts to anticipate and plan for the project.

(e) In no event may a local government unit unreasonably withhold approval of an application for a right-of-way or small wireless facility permit, or unreasonably revoke a permit.

(f) Any denial or revocation of a right-of-way or small wireless facility permit must be made in writing and must document the basis for the denial. The local government unit must notify the telecommunications right-of-way user in writing within three business days of the decision to deny or revoke a permit. If a permit application is denied, the telecommunications right-of-way user may cure the deficiencies identified by the local government unit and resubmit its application. If the telecommunications right-of-way user resubmits the application within 30 days of receiving written notice of the denial, it may not be charged an additional filing or processing fee. The local government unit must approve or deny the revised application within 30 days after the revised application is submitted.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 17. Minnesota Statutes 2016, section 237.163, subdivision 6, is amended to read:

Subd. 6. **Fees.** (a) A local government unit may recover its right-of-way management costs by imposing a fee for registration, a fee for each right-of-way or small wireless facility permit, or, when appropriate, a fee applicable to a particular telecommunications right-of-way user when that user causes the local government unit to incur costs as a result of actions or inactions of that user. A local government unit may not recover costs from a telecommunications right-of-way user ~~costs~~ or an owner of a cable communications system awarded a franchise under chapter 238 caused by another entity's activity in the right-of-way.

(b) Fees, or other right-of-way obligations, imposed by a local government unit on telecommunications right-of-way users under this section must be:

(1) based on the actual costs incurred by the local government unit in managing the public right-of-way;

(2) based on an allocation among all users of the public right-of-way, including the local government unit itself, which shall reflect the proportionate costs imposed on the local government unit by each of the various types of uses of the public rights-of-way;

(3) imposed on a competitively neutral basis; and

(4) imposed in a manner so that aboveground uses of public rights-of-way do not bear costs incurred by the local government unit to regulate underground uses of public rights-of-way.

(c) The rights, duties, and obligations regarding the use of the public right-of-way imposed under this section must be applied to all users of the public right-of-way, including the local government unit while recognizing regulation must reflect the distinct engineering, construction, operation, maintenance and public and worker safety requirements, and standards applicable to various users of the public rights-of-way. For users subject to the franchising authority of a local government unit, to the extent those rights, duties, and obligations are addressed in the terms of an applicable franchise agreement, the terms of the franchise shall prevail over any conflicting provision in an ordinance.

(d) A wireless service provider may collocate small wireless facilities on wireless support structures owned or controlled by a local government unit and located within the public roads or rights-of-way without being required to apply for or enter into any individual license, franchise, or other agreement with the local government unit or any other entity, other than a standard small wireless facility collocation agreement under subdivision 3a, paragraph (f), if the local unit of government elects to utilize such an agreement.

(e) Any initial engineering survey and preparatory construction work associated with collocation must be paid by the cost causer in the form of a onetime, nonrecurring, commercially reasonable, nondiscriminatory, and competitively neutral charge to recover the costs associated with a proposed attachment.

(f) Total application fees for a small wireless facility permit must comply with this subdivision with respect to costs related to the permit.

(g) A local government unit may elect to charge each small wireless facility attached to a wireless support structure owned by the local government unit a fee, in addition to other fees or charges allowed under this subdivision, consisting of:

(1) up to \$125 per year for rent to occupy space on a wireless support structure;

(2) up to \$25 per year for maintenance associated with the space occupied on a wireless support structure; and

(3) a flat monthly fee for electricity costs incurred by the local government unit related to a small wireless facility at the rate of:

(i) \$73 per radio node under 100 max watts; or

(ii) \$182 per radio node over 100 max watts.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 18. Minnesota Statutes 2016, section 237.163, subdivision 7, is amended to read:

Subd. 7. **Additional right-of-way provisions.** (a) In managing the public rights-of-way and in imposing fees under this section, no local government unit may:

(1) unlawfully discriminate among telecommunications right-of-way users;

(2) grant a preference to any telecommunications right-of-way user;

(3) create or erect any unreasonable requirement for entry to the public rights-of-way by telecommunications right-of-way users; or

(4) require a telecommunications right-of-way user to obtain a franchise or pay for the use of the right-of-way.

(b) A telecommunications right-of-way user need not apply for or obtain right-of-way permits for facilities that are located in public rights-of-way on May 10, 1997, for which the user has obtained the required consent of the local government unit, or that are otherwise lawfully occupying the public right-of-way. However, the telecommunications right-of-way user may be required to register and to obtain a right-of-way permit for an excavation or obstruction of existing facilities within the public right-of-way after May 10, 1997.

(c) Data and documents exchanged between a local government unit and a telecommunications right-of-way user are subject to the terms of chapter 13. A local government unit not complying with this paragraph is subject to the penalties set forth in section 13.08.

(d) A local government unit may not collect a fee imposed under this section through the provision of in-kind services by a telecommunications right-of-way user, nor may a local government unit require the provision of in-kind services as a condition of consent to use the local government unit's public right-of-way or to obtain a small wireless facility permit.

(e) Except as provided in this chapter or required by federal law, a local government unit shall not adopt or enforce any regulation on the placement or operation of communications facilities in the right-of-way where the entity is already authorized to operate in the right-of-way, and shall not regulate or impose or collect fees on communications services except to the extent specifically provided for in the existing authorization, and unless expressly required by state or federal statute.

Sec. 19. Minnesota Statutes 2016, section 237.163, is amended by adding a subdivision to read:

Subd. 9. **Authorized contractors.** (a) Nothing in this section precludes a telecommunications right-of-way user from authorizing another entity or individual to act on its behalf to install, construct, maintain, or repair a facility or facilities owned or controlled by the telecommunications right-of-way user.

(b) A local government unit is prohibited from imposing fees or requirements on an authorized entity or individual for actions on behalf of a telecommunications right-of-way user that are in addition to or different from the fees and requirements it is authorized to impose on the telecommunications right-of-way user under this section.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 20. Minnesota Statutes 2016, section 237.163, is amended by adding a subdivision to read:

Subd. 10. **Exemption.** Notwithstanding any other provision in this chapter, this section does not apply to a wireless support structure owned, operated, maintained, or served by a municipal electric utility.

EFFECTIVE DATE. This section is effective the day following final enactment."

Correct the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 4, H. F. No. 739 was re-referred to the Committee on Rules and Legislative Administration.

Peppin moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

ANNOUNCEMENT BY THE SPEAKER
PURSUANT TO RULE 1.15(c)

A message from the Senate has been received requesting concurrence by the House to amendments adopted by the Senate to the following House File:

H. F. No. 985.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. No. 3

A bill for an act relating to transportation; authorizing and governing implementation of requirements of the federal REAL ID Act; amending certain requirements governing driver's licenses and Minnesota identification cards; amending imposition of certain fees; requiring legislative reporting; amending Minnesota Statutes 2016, sections 171.01, by adding subdivisions; 171.017; 171.04, by adding a subdivision; 171.06, subdivisions 1, 2, 3, by adding a subdivision; 171.07, subdivisions 1, 3, 4, 9a; 171.071, subdivision 3; 171.072; 171.12, by adding subdivisions; 171.27; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Laws 2009, chapter 92, section 1, as amended.

May 16, 2017

The Honorable Kurt L. Daudt
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach
President of the Senate

We, the undersigned conferees for H. F. No. 3 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 3 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 171.01, is amended by adding a subdivision to read:

Subd. 41a. **Noncompliant license; noncompliant identification card.** "Noncompliant license," "noncompliant identification card," or "noncompliant license or identification card," means a driver's license or Minnesota identification card issued under section 171.019, subdivision 2, paragraph (b).

Sec. 2. Minnesota Statutes 2016, section 171.01, is amended by adding a subdivision to read:

Subd. 45b. **REAL ID Act.** "REAL ID Act" means the REAL ID Act of 2005, Public Law 109-13, Division B.

Sec. 3. Minnesota Statutes 2016, section 171.01, is amended by adding a subdivision to read:

Subd. 48b. **Temporary lawful status.** "Temporary lawful status" has the meaning given in Code of Federal Regulations, title 6, section 37.3.

Sec. 4. Minnesota Statutes 2016, section 171.017, is amended to read:

171.017 BACKGROUND INVESTIGATIONS; DEPARTMENT DRIVER'S LICENSE AGENTS AND CERTAIN EMPLOYEES.

Subdivision 1. **Background checks authorized.** The commissioner ~~shall~~ must investigate the criminal history background of any driver's license agent and any current or prospective employees of the department or driver's license agent being considered for any position ~~with the department~~ that has or will have the ability to:

(1) ~~the ability to~~ create or modify records of applicants for identification cards and driver's licenses, including enhanced drivers' driver's licenses under section 171.01, subdivision 31a, or and enhanced identification cards under section 171.01, subdivision 31b;

(2) ~~the ability to~~ issue enhanced drivers' driver's licenses under section 171.01, subdivision 31a, or enhanced identification cards under section 171.01, subdivision 31b; or

(3) ~~the ability to~~ administer knowledge or skills tests under section 171.13 to an applicant for a commercial driver's license.

Subd. 2. **Procedure.** (a) The commissioner must request a criminal history background check from the superintendent of the Bureau of Criminal Apprehension on all individuals specified in subdivision 1. A request under this section must be accompanied by an executed criminal history consent form, including fingerprints, signed by the agent or the current or prospective employee being investigated.

(b) After receiving a request under paragraph (a), the superintendent of the Bureau of Criminal Apprehension shall perform the background check required under subdivision 1. The superintendent shall retrieve criminal history data as defined in section 13.87, conduct a search of the national criminal records repository, and provide wants and warrant information from federal and state repositories. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check. The superintendent shall return the results of the background checks to the commissioner to determine whether:

(1) the agent, employee, or applicant for employment specified in subdivision 1, clause (1) or (2), has committed a disqualifying crime under Code of Federal Regulations, title 49, section 1572.103; or

(2) the employee or applicant for employment specified in subdivision 1, clause (3), has a conviction of the type specified by Code of Federal Regulations, title 49, section 384.228(j).

(c) The superintendent shall recover the ~~cost to the bureau of a~~ bureau's background check cost for the person on whom the background check is performed through a fee charged to the commissioner or the driver's license agent who requested the background check.

Subd. 3. **Notification by other criminal justice agencies.** Criminal justice agencies, as defined by section 13.02, subdivision 3a, shall provide the commissioner with information they possess and that the commissioner requires for the purposes of determining the employment suitability of current or prospective employees subject to this section.

Subd. 4. **Annual background checks in certain instances.** Consistent with Code of Federal Regulations, title 49, section 384.228, the commissioner shall request and the superintendent shall conduct annual background checks for the department employees specified in subdivision 1, clause (3). Annual background checks under this subdivision ~~shall~~ must be performed in a manner consistent with subdivisions 2 and 3.

Sec. 5. **[171.019] REAL ID ACT CONFORMITY; LIMITATIONS.**

Subdivision 1. Definition. For purposes of this section, "federal change" means a modification or addition to REAL ID Act requirements, made by the federal government after the effective date of this act, with respect to: legal requirements; processes; policies and procedures; or data collection, storage, and dissemination. Federal change includes but is not limited to a modification:

(1) in what constitutes an official purpose under Code of Federal Regulations, title 6, part 37;

(2) in the machine-readable technology standards for a license or Minnesota identification card;

(3) in the information provided on the face of the license or Minnesota identification card;

(4) that relates to dissemination of state-provided data to or among federal agencies, other states, organizations operating under agreement among the states, or private entities; or

(5) that imposes an identifiable cost for the state of Minnesota.

Subd. 2. License and Minnesota identification card options. (a) The commissioner must establish a license and a Minnesota identification card that meets the requirements of the REAL ID Act, including but not limited to documentation requirements, administrative processes, electronic validation or verification of data, and card design and marking, as provided under this chapter.

(b) The commissioner must establish a license and Minnesota identification card that:

(1) is not acceptable for federal identification under the REAL ID Act, but complies with Code of Federal Regulations, title 6, section 37.71; and

(2) meets the requirements under this chapter, including but not limited to section 171.12, subdivision 7b.

(c) The commissioner must establish an enhanced driver's license or enhanced identification card as provided in this chapter.

Subd. 3. Limitations. Compliance under subdivision 2, paragraph (a), is limited to those requirements of the REAL ID Act and any rules or regulations promulgated pursuant to the REAL ID Act in effect as of the effective date of this act. The commissioner may not take any action to implement or meet the requirements of a federal change.

Subd. 4. Legislative notification. (a) Upon identification of an impending or completed federal change, the commissioner must notify the chairs and ranking minority members of the legislative committees having jurisdiction over transportation policy and finance, public safety, and data practices, and the Legislative Commission on Data Practices and Personal Data Privacy. Notification must be submitted as required under section 3.195, except that printed copies are not required.

(b) Notification under this subdivision must include a review of the federal change, an initial analysis of data practices impacts, and any preliminary estimates of implementation costs, including the availability of additional federal funds.

Subd. 5. Statutory construction. (a) Unless specifically provided otherwise, a driver's license, instruction permit, or provisional license includes any noncompliant license. Unless specifically provided otherwise, a Minnesota identification card includes any noncompliant identification card.

(b) A noncompliant license does not include an enhanced driver's license, and a noncompliant identification card does not include an enhanced identification card.

Sec. 6. Minnesota Statutes 2016, section 171.04, is amended by adding a subdivision to read:

Subd. 5. **Temporary lawful admission.** The commissioner is prohibited from issuing a driver's license or Minnesota identification card to an applicant whose lawful temporary admission period, as demonstrated under section 171.06, subdivision 3, paragraph (b), expires within 30 days of the date of the application.

Sec. 7. Minnesota Statutes 2016, section 171.06, subdivision 1, is amended to read:

Subdivision 1. ~~**Forms of Application format and requirements.** Every application for a Minnesota identification card, for including an enhanced identification card, or for a driver's license including for an instruction permit, for a provisional license, for a driver's license, or for and an enhanced driver's license, must be made in a format approved by the department, and. Every application must be accompanied by payment of the proper fee. All first time applications and change of status applications must be signed in the presence of the person authorized to accept the application, or the signature on the application may be verified by a notary public. All applicants must sign the application and declare, under penalty of perjury, that the information and documentation presented in the application is true and correct. All applications requiring evidence of legal presence in the United States or United States citizenship must be signed in the presence of the person authorized to accept the application, or the signature on the application may be verified by a notary public.~~

Sec. 8. Minnesota Statutes 2016, section 171.06, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

<u>REAL ID Compliant or Noncompliant</u> Classified				
Driver's License	D-\$17.25	C-\$21.25	B-\$28.25	A-\$36.25
<u>REAL ID Compliant or Noncompliant</u> Classified				
Under-21 D.L.	D-\$17.25	C-\$21.25	B-\$28.25	A-\$16.25
Enhanced Driver's License	D-\$32.25	C-\$36.25	B-\$43.25	A-\$51.25
<u>REAL ID Compliant or Noncompliant</u> Instruction				
Permit				\$5.25
Enhanced Instruction Permit				\$20.25
Commercial Learner's Permit				\$2.50
<u>REAL ID Compliant or Noncompliant</u> Provisional				
License				\$8.25
Enhanced Provisional License				\$23.25
Duplicate <u>REAL ID Compliant or Noncompliant</u>				
License or duplicate <u>REAL ID Compliant or Noncompliant</u> identification card				\$6.75
Enhanced Duplicate License or enhanced duplicate identification card				\$21.75
<u>REAL ID Compliant or Noncompliant</u> Minnesota identification card or <u>REAL ID Compliant or Noncompliant</u> Under-21 Minnesota identification card, other than duplicate, except as otherwise provided in section 171.07, subdivisions 3 and 3a				\$11.25
Enhanced Minnesota identification card				\$26.25

In addition to each fee required in this paragraph, the commissioner shall collect a surcharge of: (1) \$1.75 until June 30, 2012; and (2) \$1.00 from July 1, 2012, to June 30, 2016. Surcharges collected under this paragraph must be credited to the driver and vehicle services technology account in the special revenue fund under section 299A.705.

(b) Notwithstanding paragraph (a), an individual who holds a provisional license and has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving violations, and (3) convictions for moving violations that are not crash related, shall have a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation" has the meaning given it in section 171.04, subdivision 1.

(c) In addition to the driver's license fee required under paragraph (a), the commissioner shall collect an additional \$4 processing fee from each new applicant or individual renewing a license with a school bus endorsement to cover the costs for processing an applicant's initial and biennial physical examination certificate. The department shall not charge these applicants any other fee to receive or renew the endorsement.

(d) In addition to the fee required under paragraph (a), a driver's license agent may charge and retain a filing fee as provided under section 171.061, subdivision 4.

(e) In addition to the fee required under paragraph (a), the commissioner shall charge a filing fee at the same amount as a driver's license agent under section 171.061, subdivision 4. Revenue collected under this paragraph must be deposited in the driver services operating account.

(f) An application for a Minnesota identification card, instruction permit, provisional license, or driver's license, including an application for renewal, must contain a provision that allows the applicant to add to the fee under paragraph (a), a \$2 donation for the purposes of public information and education on anatomical gifts under section 171.075.

Sec. 9. Minnesota Statutes 2016, section 171.06, subdivision 3, is amended to read:

Subd. 3. **Contents of application; other information.** (a) An application must:

(1) state the full name, date of birth, sex, and either (i) the residence address of the applicant, or (ii) designated address under section 5B.05;

(2) as may be required by the commissioner, contain a description of the applicant and any other facts pertaining to the applicant, the applicant's driving privileges, and the applicant's ability to operate a motor vehicle with safety;

(3) state:

(i) the applicant's Social Security number; or

(ii) if the applicant does not have a Social Security number and is applying for a Minnesota identification card, instruction permit, or class D provisional or driver's license, that the applicant certifies that the applicant ~~does not have~~ is not eligible for a Social Security number;

~~(4) in the case of an application for an enhanced driver's license or enhanced identification card, present:~~

~~(i) proof satisfactory to the commissioner of the applicant's full legal name, United States citizenship, identity, date of birth, Social Security number, and residence address; and~~

~~(ii) a photographic identity document;~~

~~(5)~~ contain a space where the applicant may indicate a desire to make an anatomical gift according to paragraph ~~(b)~~;

~~(6)~~ (4) contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7; and

~~(7)~~ (5) contain ~~a space~~ spaces where the applicant may:

(i) request a veteran designation on the license under section 171.07, subdivision 15, and the driving record under section 171.12, subdivision 5a;

(ii) indicate a desire to make an anatomical gift under paragraph (d); and

(iii) as applicable, designate document retention as provided under section 171.12, subdivision 3c.

(b) Applications must be accompanied by satisfactory evidence demonstrating:

(1) identity, date of birth, and any legal name change if applicable; and

(2) for driver's licenses and Minnesota identification cards that meet all requirements of the REAL ID Act:

(i) principal residence address in Minnesota, including application for a change of address, unless the applicant provides a designated address under section 5B.05;

(ii) Social Security number, or related documentation as applicable; and

(iii) lawful status, as defined in Code of Federal Regulations, title 6, section 37.3.

(c) An application for an enhanced driver's license or enhanced identification card must be accompanied by:

(1) satisfactory evidence demonstrating the applicant's full legal name and United States citizenship; and

(2) a photographic identity document.

~~(b)~~ (d) If the applicant does not indicate a desire to make an anatomical gift when the application is made, the applicant must be offered a donor document in accordance with section 171.07, subdivision 5. The application must contain statements sufficient to comply with the requirements of the Darlene Luther Revised Uniform Anatomical Gift Act, chapter 525A, so that execution of the application or donor document will make the anatomical gift as provided in section 171.07, subdivision 5, for those indicating a desire to make an anatomical gift. The application must be accompanied by information describing Minnesota laws regarding anatomical gifts and the need for and benefits of anatomical gifts, and the legal implications of making an anatomical gift, including the law governing revocation of anatomical gifts. The commissioner shall distribute a notice that must accompany all applications for and renewals of a driver's license or Minnesota identification card. The notice must be prepared in conjunction with a Minnesota organ procurement organization that is certified by the federal Department of Health and Human Services and must include:

(1) a statement that provides a fair and reasonable description of the organ donation process, the care of the donor body after death, and the importance of informing family members of the donation decision; and

(2) a telephone number in a certified Minnesota organ procurement organization that may be called with respect to questions regarding anatomical gifts.

(e) (e) The application must be accompanied also by information containing relevant facts relating to:

(1) the effect of alcohol on driving ability;

(2) the effect of mixing alcohol with drugs;

(3) the laws of Minnesota relating to operation of a motor vehicle while under the influence of alcohol or a controlled substance; and

(4) the levels of alcohol-related fatalities and accidents in Minnesota and of arrests for alcohol-related violations.

Sec. 10. Minnesota Statutes 2016, section 171.06, is amended by adding a subdivision to read:

Subd. 3b. **Information for applicants.** (a) The commissioner must develop summary information on identity document options. The summary information must be available on the department's Web site and at every location where a person may apply for an enhanced, REAL ID compliant, or noncompliant driver's license or identification card.

(b) The summary information must, at a minimum, include:

(1) each available type of driver's license and Minnesota identification card, including a noncompliant license or identification card, an enhanced driver's license, and an enhanced identification card;

(2) the official purposes of and limitations on use for each type of driver's license and Minnesota identification card; and

(3) an overview of data shared outside the state, including through electronic validation or verification systems, as part of the application and issuance of each type.

(c) The commissioner must ensure that the summary information is available to driver's license and identification card applicants. Renewal notifications mailed to driver's license and identification card holders must include the Web site address that displays the summary information.

(d) An applicant for an enhanced or noncompliant license or identification card must sign an acknowledgment that the applicant understands the limitations on use of the license or card.

Sec. 11. **[171.0605] EVIDENCE OF IDENTITY AND LAWFUL PRESENCE.**

Subdivision 1. **Scope and application.** This section applies only to driver's licenses and Minnesota identification cards that meet all requirements of the REAL ID Act. Except as otherwise provided under this section, the requirements of Minnesota Rules, chapter 7410, or successor rules, apply.

Subd. 2. **Evidence; identity; date of birth.** (a) Only the following is satisfactory evidence of an applicant's identity and date of birth under section 171.06, subdivision 3, paragraph (b):

(1) a driver's license or identification card that:

(i) complies with all requirements of the REAL ID Act;

(ii) is not designated as temporary or limited term; and

(iii) is current or has been expired for five years or less;

(2) a valid, unexpired United States passport, including a passport booklet or passport card, issued by the United States Department of State;

(3) a certified copy of a birth certificate issued by a government bureau of vital statistics or equivalent agency in the applicant's state of birth, which must bear the raised or authorized seal of the issuing government entity;

(4) a consular report of birth abroad, certification of report of birth, or certification of birth abroad, issued by the United States Department of State, Form FS-240, DS-1350, or FS-545;

(5) a valid, unexpired permanent resident card issued by the United States Department of Homeland Security or the former Immigration and Naturalization Service of the United States Department of Justice, Form I-551;

(6) a certificate of naturalization issued by the United States Department of Homeland Security, Form N-550 or Form N-570;

(7) a certificate of citizenship issued by the United States Department of Homeland Security, Form N-560 or Form N-561;

(8) an unexpired employment authorization document issued by the United States Department of Homeland Security, Form I-766 or Form I-688B;

(9) a valid, unexpired passport issued by a foreign country and a valid, unexpired United States visa accompanied by documentation of the applicant's most recent lawful admittance into the United States;

(10) a document as designated by the United States Department of Homeland Security under Code of Federal Regulations, title 6, part 37.11(c)(1)(x);

(11) a copy of the applicant's certificate of marriage certified by the issuing government jurisdiction;

(12) a certified copy of a court order that specifies the applicant's name change; or

(13) a certified copy of a divorce decree or dissolution of marriage that specifies the applicant's name change, issued by a court.

(b) A document under paragraph (a) must be legible and unaltered.

Subd. 3. Evidence; lawful status. Only a form of documentation identified under subdivision 2 or a document issued by a federal agency that demonstrates the applicant's lawful status are satisfactory evidence of an applicant's lawful status under section 171.06, subdivision 3, paragraph (b), clause (2).

Subd. 4. Evidence; Social Security number. The following is satisfactory evidence of an applicant's Social Security number or related documentation under section 171.06, subdivision 3, paragraph (b):

(1) a Social Security card;

(2) if a Social Security card is not available:

(i) a federal Form W-2;

(ii) a federal Form SSA-1099 or other federal Form 1099 having the applicant's Social Security number; or

(iii) a computer-printed United States employment pay stub with the applicant's name, address, and Social Security number; or

(3) for an applicant who provides a passport under subdivision 2, paragraph (a), clause (9), documentation demonstrating nonwork authorized status.

Subd. 5. Evidence; residence in Minnesota. Submission of two forms of documentation from the following is satisfactory evidence of an applicant's principal residence address in Minnesota under section 171.06, subdivision 3, paragraph (b):

(1) a home utility services bill issued no more than 90 days before the application, provided that the commissioner must not accept a United States home utility bill if two unrelated people are listed on the bill;

(2) a home utility services hook-up work order issued no more than 90 days before the application, provided that the commissioner must not accept a home utility services hook-up work order if two unrelated people are listed on the work order;

(3) United States financial information issued no more than 90 days before the application, with account numbers redacted, including:

(i) a bank account statement;

(ii) a canceled check; or

(iii) a credit card statement;

(4) a United States high school identification card with a certified transcript from the school, if issued no more than 180 days before the application;

(5) a Minnesota college or university identification card with a certified transcript from the college or university, if issued no more than 180 days before the application;

(6) an employment pay stub issued no more than 90 days before the application that lists the employer's name, address, and telephone number;

(7) a Minnesota unemployment insurance benefit statement issued no more than 90 days before the application;

(8) a statement from a housing with services building registered under chapter 144D, nursing home licensed under chapter 144A, or a boarding care facility licensed under sections 144.50 to 144.56, that was issued no more than 90 days before the application;

(9) a life, health, automobile, homeowner's, or renter's insurance policy issued no more than 90 days before the application, provided that the commissioner must not accept a proof of insurance card;

(10) a federal or state income tax return or statement for the most recent tax filing year;

(11) a Minnesota property tax statement for the current year that shows the applicant's principal residential address both on the mailing portion and the portion stating what property is being taxed;

(12) a Minnesota vehicle certificate of title, if issued no more than 12 months before the application;

(13) a filed property deed or title for current residence, if issued no more than 12 months before the application;

(14) a Supplemental Security Income award statement issued no more than 12 months before the application;

(15) mortgage documents for the applicant's principal residence;

(16) a residential lease agreement for the applicant's principal residence issued no more than 12 months before the application;

(17) a valid driver's license, including an instruction permit, issued under this chapter;

(18) a valid Minnesota identification card;

(19) an unexpired Minnesota professional license;

(20) an unexpired Selective Service card; or

(21) military orders that are still in effect at the time of application.

(b) A document under paragraph (a) must include the applicant's name and an address in Minnesota.

Subd. 6. **Exceptions process.** (a) The commissioner may grant a variance from the requirements of this section as provided under Minnesota Rules, part 7410.0600, or successor rules, for evidence of:

(1) identity or date of birth under subdivision 2;

(2) lawful status under subdivision 3, only for demonstration of United States citizenship;

(3) Social Security number under subdivision 4; and

(4) residence in Minnesota under subdivision 5.

(b) The commissioner must not grant a variance for an applicant having a lawful temporary admission period.

Sec. 12. Minnesota Statutes 2016, section 171.061, subdivision 3, is amended to read:

Subd. 3. **Application.** An applicant may file an application with an agent. The agent shall receive and accept applications in accordance with the laws and rules of the Department of Public Safety for a noncompliant driver's license; or identification card; an enhanced driver's license or identification card; a REAL ID compliant driver's license or identification card; restricted license; duplicate license; instruction permit, ~~Minnesota identification card;~~ or motorized bicycle operator's permit.

Sec. 13. Minnesota Statutes 2016, section 171.07, subdivision 1, is amended to read:

Subdivision 1. **License; contents and design.** (a) Upon the payment of the required fee, the department shall issue to every qualifying applicant a license designating the type or class of vehicles the applicant is authorized to drive as applied for. This license must bear: (1) a distinguishing number assigned to the licensee; (2) the licensee's full name and date of birth; (3) either (1) (i) the licensee's residence address, or (2) (ii) the designated address under section 5B.05; (4) a description of the licensee in a manner as the commissioner deems necessary; and (5) the usual signature of the licensee; and (6) designations and markings as provided in this section. No license is valid unless it bears the usual signature of the licensee. Every license must bear a colored photograph or an electronically produced image of the licensee.

(b) If the United States Postal Service will not deliver mail to the applicant's residence address as listed on the license, then the applicant shall provide verification from the United States Postal Service that mail will not be delivered to the applicant's residence address and that mail will be delivered to a specified alternate mailing address. When an applicant provides an alternate mailing address under this subdivision, the commissioner shall use the alternate mailing address in lieu of the applicant's residence address for all notices and mailings to the applicant.

(c) Every license issued to an applicant under the age of 21 must be of a distinguishing color and plainly marked "Under-21."

~~(d) The department shall use processes in issuing a license that prohibit, as nearly as possible, the ability to alter or reproduce a license, or prohibit the ability to superimpose a photograph or electronically produced image on a license, without ready detection.~~

~~(e)~~ A license issued to an applicant age 65 or over must be plainly marked "senior" if requested by the applicant.

(e) Except for an enhanced driver's license or a noncompliant license, a license must bear a distinguishing indicator for compliance with requirements of the REAL ID Act.

(f) A noncompliant license must:

(1) be marked "not for federal identification" on the face and in the machine-readable portion; and

(2) have a unique design or color indicator.

(g) A license issued to a person with temporary lawful status must be marked "temporary" on the face and in the machine-readable portion.

(h) A license must display the licensee's full name or no fewer than 39 characters of the name. Any necessary truncation must begin with the last character of the middle name and proceed through the second letter of the middle name, followed by the last character of the first name and proceeding through the second letter of the first name.

Sec. 14. Minnesota Statutes 2016, section 171.07, subdivision 3, is amended to read:

Subd. 3. **Identification card; content and design; fee.** (a) Upon payment of the required fee, the department shall issue to every qualifying applicant a Minnesota identification card. The department may not issue a Minnesota identification card to an individual who has a driver's license, other than a limited license. The department may not issue an enhanced identification card to an individual who is under 16 years of age, not a resident of this state, or not a citizen of the United States of America. The card must bear: (1) a distinguishing number assigned to the applicant; (2) a colored photograph or an electronically produced image of the applicant; (3) the applicant's full name and date of birth; (4) either (1) (i) the licensee's residence address, or (2) (ii) the designated address under section 5B.05; (5) a description of the applicant in the manner as the commissioner deems necessary; and (6) the usual signature of the applicant; and (7) designations and markings provided under this section.

(b) If the United States Postal Service will not deliver mail to the applicant's residence address as listed on the Minnesota identification card, then the applicant shall provide verification from the United States Postal Service that mail will not be delivered to the applicant's residence address and that mail will be delivered to a specified alternate mailing address. When an applicant provides an alternate mailing address under this subdivision, the commissioner shall use the alternate mailing address in lieu of the applicant's residence address for all notices and mailings to the applicant.

(c) Each identification card issued to an applicant under the age of 21 must be of a distinguishing color and plainly marked "Under-21."

(d) Each Minnesota identification card must be plainly marked "Minnesota identification card - not a driver's license."

(e) Except for an enhanced identification card or a noncompliant identification card, a Minnesota identification card must bear a distinguishing indicator for compliance with requirements of the REAL ID Act.

(f) A noncompliant identification card must:

(1) be marked "not for federal identification" on the face and in the machine-readable portion; and

(2) have a unique design or color indicator.

(g) A Minnesota identification card issued to a person with temporary lawful status must be marked "temporary" on the face and in the machine-readable portion.

(h) A Minnesota identification card must display the cardholder's full name or no fewer than 39 characters of the name. Any necessary truncation must begin with the last character of the middle name and proceed through the second letter of the middle name, followed by the last character of the first name and proceeding through the second letter of the first name.

~~(e)~~ (i) The fee for a Minnesota identification card is 50 cents when issued to a person who is developmentally disabled, as defined in section 252A.02, subdivision 2; a physically disabled person, as defined in section 169.345, subdivision 2; or, a person with mental illness, as described in section 245.462, subdivision 20, paragraph (c).

Sec. 15. Minnesota Statutes 2016, section 171.07, subdivision 4, is amended to read:

Subd. 4. **Identification card expiration.** (a) Except as otherwise provided in this subdivision, the expiration date of ~~a~~ Minnesota identification ~~cards of applicants under the age of 65 shall be~~ card is the birthday of the applicant in the fourth year following the date of issuance of the card.

~~(b) A Minnesota identification card issued to~~ For an applicant age 65 or older shall be:

(1) the expiration date of a Minnesota identification card is the birthday of the applicant in the eighth year following the date of issuance of the card; or

(2) a noncompliant identification card is valid for the lifetime of the applicant, ~~except that,~~

(c) For the purposes of ~~this~~ paragraph (b), "Minnesota identification card" does not include an enhanced identification card issued to an applicant age 65 or older.

~~(e)~~ (d) The expiration date for an Under-21 identification card is the cardholder's 21st birthday. The commissioner shall issue an identification card to a holder of an Under-21 identification card who applies for the card, pays the required fee, and presents proof of identity and age, unless the commissioner determines that the applicant is not qualified for the identification card.

(e) Notwithstanding paragraphs (a) to (d), the expiration date for an identification card issued to a person with temporary lawful status is the last day of the person's legal stay in the United States, or one year after issuance if the last day of the person's legal stay is not identified.

Sec. 16. Minnesota Statutes 2016, section 171.07, subdivision 9a, is amended to read:

Subd. 9a. **Security for enhanced driver's license and identification card features.** ~~An enhanced (a) A~~ driver's license or ~~enhanced~~ identification card must include reasonable security measures to: prevent forgery, alteration, reproduction, and counterfeiting; facilitate detection of fraud; prohibit the ability to superimpose a photograph or electronically produced image; and ~~to~~ protect against unauthorized disclosure of personal information ~~regarding residents of this state that is~~ contained in the ~~enhanced~~ driver's license or ~~enhanced~~ identification card. The ~~enhanced~~ driver's license must include the best available anticounterfeit laminate technology.

~~The (b) An~~ enhanced driver's license or enhanced identification card may include radio frequency identification technology that is limited to a randomly assigned number, which must be encrypted if agreed to by the United States Department of Homeland Security and does not include biometric data or any information other than the citizenship status of the license holder or cardholder. The commissioner shall ensure that the radio frequency identification technology is secure from unauthorized data access. An applicant must sign an acknowledgment of understanding of the radio frequency identification technology and its use for the sole purpose of verifying United States citizenship before being issued an enhanced driver's license or an enhanced identification card.

Sec. 17. Minnesota Statutes 2016, section 171.071, subdivision 3, is amended to read:

Subd. 3. **Exception Limitations.** Subdivision 1 applies only to a noncompliant license or identification card. Subdivisions 1 and 2 do not apply to the commissioner's requirements pertaining to a photograph or electronically produced image on an enhanced driver's license or an enhanced identification card.

Sec. 18. Minnesota Statutes 2016, section 171.072, is amended to read:

171.072 TRIBAL IDENTIFICATION CARD.

(a) If a Minnesota identification card is deemed an acceptable form of identification in Minnesota Statutes or Rules, a tribal identification card is also an acceptable form of identification. A tribal identification card is a primary document for purposes of Minnesota Rules, part 7410.0400, and successor rules, when an applicant applies for a noncompliant license or identification card.

(b) For purposes of this section, "tribal identification card" means an unexpired identification card issued by a Minnesota tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the legal name, date of birth, signature, and picture of the enrolled tribal member.

(c) The tribal identification card must contain security features that make it as impervious to alteration as is reasonably practicable in its design and quality of material and technology. The security features must use materials that are not readily available to the general public. The tribal identification card must not be susceptible to reproduction by photocopying or simulation and must be highly resistant to data or photograph substitution and other tampering.

(d) The requirements of this section do not apply to: (1) except as provided in paragraph (a), to an application for a driver's license or Minnesota identification card under this chapter; or (2) to tribal identification cards used to prove an individual's residence for purposes of section 201.061, subdivision 3.

Sec. 19. Minnesota Statutes 2016, section 171.12, is amended by adding a subdivision to read:

Subd. 1a. **Driver and vehicle services information system; security and auditing.** (a) The commissioner must establish written procedures to ensure that only individuals authorized by law may enter, update, or access not public data collected, created, or maintained by the driver and vehicle services information system. An authorized

individual's ability to enter, update, or access data in the system must correspond to the official duties or training level of the individual and to the statutory authorization granting access for that purpose. All queries and responses, and all actions in which data are entered, updated, accessed, shared, or disseminated, must be recorded in a data audit trail. Data contained in the audit trail are public to the extent the data are not otherwise classified by law.

(b) The commissioner must immediately and permanently revoke the authorization of any individual who willfully entered, updated, accessed, shared, or disseminated data in violation of state or federal law. If an individual willfully gained access to data without authorization by law, the commissioner must forward the matter to the appropriate prosecuting authority for prosecution.

(c) The commissioner must arrange for an independent biennial audit of the driver and vehicle services information system to determine whether data currently in the system are classified correctly, how the data are used, and to verify compliance with this subdivision. The results of the audit are public. No later than 30 days following completion of the audit, the commissioner must provide a report summarizing the audit results to the commissioner of administration; the chairs and ranking minority members of the committees of the house of representatives and the senate with jurisdiction over transportation policy and finance, public safety, and data practices; and the Legislative Commission on Data Practices and Personal Data Privacy. The report must be submitted as required under section 3.195, except that printed copies are not required.

EFFECTIVE DATE. This section is effective on the date of implementation of the driver's license portion of the Minnesota licensing and registration system. The commissioner shall notify the revisor of statutes on the date of implementation.

Sec. 20. Minnesota Statutes 2016, section 171.12, is amended by adding a subdivision to read:

Subd. 3c. **Record retention; birth certificates.** (a) If the procedures established by the commissioner for driver's license or Minnesota identification card records include retention of a physical copy or digital image of a birth certificate, the commissioner must:

(1) notify a driver's license or identification card applicant of the retention procedure; and

(2) allow the applicant, licensee, or identification cardholder to designate that the applicant, licensee, or identification cardholder's birth certificate physical copy or digital image must not be retained.

(b) The commissioner must not retain a birth certificate if directed by an applicant, licensee, or identification cardholder under paragraph (a), clause (2), but must record and retain data on the birth certificate required under Code of Federal Regulations, title 6, section 37.31(c).

Sec. 21. Minnesota Statutes 2016, section 171.12, is amended by adding a subdivision to read:

Subd. 7b. **Data privacy; noncompliant license or identification card.** (a) With respect to noncompliant licenses or identification cards, the commissioner is prohibited from:

(1) electronically disseminating outside the state data that is not disseminated as of the effective date of this act; or

(2) utilizing any electronic validation or verification system accessible from or maintained outside of the state that is not in use as of the effective date of this act.

(b) The limitations in paragraph (a) do not apply to the extent necessary to maintain compliance with the driver's license compact under section 171.50 and applicable federal law governing commercial driver's licenses.

(c) For purposes of this subdivision, "outside the state" includes federal agencies, states other than Minnesota, organizations operating under agreement among the states, and private entities.

Sec. 22. Minnesota Statutes 2016, section 171.12, is amended by adding a subdivision to read:

Subd. 7c. **Other data provisions.** (a) The commissioner must not share any data the department maintains under section 171.07, subdivision 13, with any federal agency, federal department, or federal entity for a use that would otherwise be permissible under United States Code, title 18, section 2721, or other law.

(b) Data collected by government entities under sections 624.712 to 624.719 are classified under section 13.87, subdivision 2.

Sec. 23. Minnesota Statutes 2016, section 171.27, is amended to read:

171.27 EXPIRATION OF LICENSE; MILITARY EXCEPTION.

(a) Except as otherwise provided in this section, the expiration date for each driver's license, ~~other than under 21 licenses,~~ is the birthday of the driver in the fourth year following the date of issuance of the license. The birthday of the driver shall be as indicated on the application for a driver's license. A license may be renewed on or before expiration or within one year after expiration upon application, payment of the required fee, and passing the examination required of all drivers for renewal. Driving privileges shall be extended or renewed on or preceding the expiration date of an existing driver's license unless the commissioner believes that the licensee is no longer qualified as a driver.

(b) The expiration date for each under-21 license shall be the 21st birthday of the licensee. Upon the licensee attaining the age of 21 and upon the application, payment of the required fee, and passing the examination required of all drivers for renewal, a driver's license shall be issued unless the commissioner determines that the licensee is no longer qualified as a driver.

(c) The expiration date for each provisional license is two years after the date of application for the provisional license.

(d) Notwithstanding paragraphs (a) to (c), the expiration date for a license issued to a person with temporary lawful status is the last day of the person's legal stay in the United States, or one year after issuance if the last day of the person's legal stay is not identified.

~~(d)~~ (e) Any valid Minnesota driver's license issued to a person then or subsequently serving outside Minnesota in active military service, as defined in section 190.05, subdivision 5, in any branch or unit of the armed forces of the United States, or the person's spouse, shall continue in full force and effect without requirement for renewal until the date one year following the service member's separation or discharge from active military service, and until the license holder's birthday in the fourth full year following the person's most recent license renewal or, in the case of a provisional license, until the person's birthday in the third full year following the renewal.

Sec. 24. **REAL ID ACT IMPLEMENTATION.**

Subdivision 1. **Definition.** For purposes of this section, "REAL ID Act" means the REAL ID Act of 2005, Public Law 109-13, Division B.

Subd. 2. **Implementation; deadline.** The commissioner of public safety must begin issuing driver's licenses and Minnesota identification cards that fully comply with the REAL ID Act no later than October 1, 2018. The commissioner must notify the following individuals and entities of the specific full compliance implementation date:

the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance, public safety, and data practices; the revisor of statutes; and the Legislative Commission on Data Practices and Personal Data Privacy.

Subd. 3. **Mandatory reissuance prohibition.** When implementing the REAL ID Act requirements as provided in this act, the commissioner of public safety is prohibited from requiring renewal or reissuance of a driver's license or Minnesota identification card earlier than required under the regular issuance time period. Nothing in this subdivision prevents suspension, cancellation, or revocation as provided in Minnesota Statutes, chapter 171.

Subd. 4. **Early renewal and expiration date extension.** (a) For purposes of this subdivision, "federal full compliance date" means the date when full compliance with the REAL ID Act is federally required and no extensions are in effect for federal acceptance of Minnesota-issued licenses and identification cards for official purposes, as most recently specified by the United States Department of Homeland Security under Code of Federal Regulations, title 6, part 37.

(b) For purposes of this subdivision, "eligible applicant" means an applicant for a REAL ID compliant driver's license or identification card who:

(1) holds a valid Minnesota driver's license or Minnesota identification card that:

(i) was issued prior to the date Minnesota commenced issuing REAL ID compliant licenses and Minnesota identification cards; and

(ii) either (A) has an expiration date that is after the federal full compliance date; or (B) does not have an expiration date as provided under Minnesota Statutes, section 171.07, subdivision 4;

(2) submits the license or identification card application no later than one year following the federal full compliance date; and

(3) is otherwise eligible to obtain the license or identification card under Minnesota Statutes, chapter 171.

(c) For the first instance of issuing a REAL ID compliant driver's license, the expiration date is the birthday of the applicant in the fourth year following the date that the driver's license would otherwise expire absent this subdivision, notwithstanding the requirements of Minnesota Statutes, section 171.27, paragraph (a).

(d) For the first instance of issuing a REAL ID compliant identification card, the expiration date is the birthday of the applicant in the fourth year following the date that the identification card would otherwise expire absent this subdivision, notwithstanding the requirements of Minnesota Statutes, section 171.07, subdivision 4, paragraph (a).

(e) A surcharge is imposed for early renewal under this subdivision. The surcharge is in addition to the fees and surcharges under Minnesota Statutes, sections 171.06, subdivision 2; 171.061, subdivision 4; and 171.07, subdivisions 3 and 3a; or other law. The surcharge is calculated based on the length of time otherwise remaining absent this subdivision until expiration of the driver's license or identification card, as follows:

(1) \$2 for a current expiration date of no more than 17 months from the date of application under this subdivision;

(2) \$4 for a current expiration date of 18 months to no more than 29 months; and

(3) \$6 for a current expiration date of more than 29 months.

(f) This subdivision does not apply to:

(1) issuance of a new driver's license or Minnesota identification card;

(2) issuance or renewal of a noncompliant license or identification card, as defined in Minnesota Statutes, section 171.01, subdivision 41a;

(3) issuance or renewal of an enhanced driver's license or enhanced identification card;

(4) reinstatement of a canceled, suspended, or revoked license;

(5) a driver's license subject to expiration under Minnesota Statutes, section 171.27, paragraphs (b) to (d); or

(6) a Minnesota identification card subject to expiration under Minnesota Statutes, section 171.07, subdivision 4, paragraphs (b) to (e).

Sec. 25. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 171.06, subdivision 3, paragraphs (d) and (e), as Minnesota Statutes, section 171.06, subdivision 3b, paragraphs (d) and (e). The revisor shall also make any necessary cross-reference changes consistent with the renumbering.

Sec. 26. **APPROPRIATION.**

\$3,270,000 in fiscal year 2019 is appropriated from the driver services operating account in the special revenue fund to the commissioner of public safety for implementation and conformity with the requirements of the REAL ID Act of 2005, Public Law 109-13, Division B, as provided under this act. This is a onetime appropriation.

Sec. 27. **CONTINGENT REPEALER.**

If the Federal REAL ID Act, Public Law 109-13, Division B, is repealed or if the definition of "official purpose" in Code of Federal Regulations, title 6, part 37, is amended, the provisions of this act become null and void on June 30 of the following year. On June 30 in the year after the repeal or amendment, the commissioner of the Department of Public Safety must stop issuing REAL ID compliant driver's licenses and identification cards. Within 90 days of the federal repeal or amendment, the commissioner must submit a report, including proposed legislative changes, to repeal all aspects of this act to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance, public safety, and data practices; the revisor of statutes; and the Legislative Commission on Data Practices and Personal Data Privacy.

Sec. 28. **REPEALER.**

Laws 2009, chapter 92, section 1, as amended by Laws 2016, chapter 83, section 1, is repealed.

Sec. 29. **EFFECTIVE DATE.**

Except as specifically provided otherwise, this act is effective the day following final enactment. Sections 1 to 24 apply for application and issuance of driver's licenses and Minnesota identification cards on and after the full compliance implementation date under section 24, subdivision 2."

Delete the title and insert:

"A bill for an act relating to transportation; authorizing and governing implementation of compliance with federal REAL ID Act requirements; modifying and adding various requirements governing issuance of driver's licenses and Minnesota identification cards; providing for data practices; requiring a report; appropriating money; amending Minnesota Statutes 2016, sections 171.01, by adding subdivisions; 171.017; 171.04, by adding a subdivision; 171.06, subdivisions 1, 2, 3, by adding a subdivision; 171.061, subdivision 3; 171.07, subdivisions 1, 3, 4, 9a; 171.071, subdivision 3; 171.072; 171.12, by adding subdivisions; 171.27; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Laws 2009, chapter 92, section 1, as amended."

We request the adoption of this report and repassage of the bill.

House Conferees: DENNIS SMITH, PAUL TORKELOSON and GENE PELOWSKI, JR.

Senate Conferees: ERIC R. PRATT, SCOTT J. NEWMAN and ANN H. REST.

Smith moved that the report of the Conference Committee on H. F. No. 3 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 3, A bill for an act relating to transportation; authorizing and governing implementation of requirements of the federal REAL ID Act; amending certain requirements governing driver's licenses and Minnesota identification cards; amending imposition of certain fees; requiring legislative reporting; amending Minnesota Statutes 2016, sections 171.01, by adding subdivisions; 171.017; 171.04, by adding a subdivision; 171.06, subdivisions 1, 2, 3, by adding a subdivision; 171.07, subdivisions 1, 3, 4, 9a; 171.071, subdivision 3; 171.072; 171.12, by adding subdivisions; 171.27; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Laws 2009, chapter 92, section 1, as amended.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 120 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Albright	Carlson, L.	Flanagan	Hornstein	Liebling	Murphy, E.
Allen	Christensen	Franke	Hortman	Lien	Murphy, M.
Anderson, P.	Clark	Freiberg	Jessup	Lillie	Nash
Anderson, S.	Considine	Garofalo	Johnson, B.	Loeffler	Nelson
Anselmo	Cornish	Green	Johnson, C.	Lohmer	Neu
Applebaum	Daniels	Grossell	Johnson, S.	Loon	Newberger
Backer	Davids	Gunther	Jurgens	Loonan	Nornes
Baker	Davnie	Haley	Kiel	Lueck	O'Driscoll
Barr, R.	Dehn, R.	Halverson	Knoblach	Mahoney	Olson
Becker-Finn	Dettmer	Hansen	Koegel	Marquart	Omar
Bennett	Ecklund	Hausman	Koznick	Masin	O'Neill
Bernardy	Erickson	Heintzeman	Kresha	Maye Quade	Pelowski
Bliss	Fabian	Hertaus	Kunesh-Podein	McDonald	Peppin
Bly	Fenton	Hilstrom	Layman	Metsa	Petersburg
Carlson, A.	Fischer	Hoppe	Lee	Moran	Peterson

Pierson	Quam	Sauke	Sundin	Uglen	West
Pinto	Rarick	Schomacker	Swedzinski	Urdahl	Wills
Poppe	Rosenthal	Schultz	Theis	Vogel	Youakim
Poston	Runbeck	Slocum	Thissen	Wagenius	Zerwas
Pryor	Sandstede	Smith	Torkelson	Ward	Spk. Daudt

Those who voted in the negative were:

Bahr, C.	Franson	Howe	Lucero	Pugh	Whelan
Drazkowski	Gruenhagen	Lesch	Miller	Scott	

The bill was repassed, as amended by Conference, and its title agreed to.

CALENDAR FOR THE DAY

H. F. No. 1227 was reported to the House.

Franke moved to amend H. F. No. 1227, the first engrossment, as follows:

Page 34, after line 2, insert:

"ARTICLE 4 TAX INCREMENT FINANCING

Section 1. **SOUTH ST. PAUL ECONOMIC DEVELOPMENT AUTHORITY; EXTENSION OF TIME TO ADOPT INTERFUND LOAN RESOLUTION.**

Notwithstanding Minnesota Statutes, section 469.178, subdivision 7, the governing body of the South St. Paul Economic Development Authority, successor to the Housing and Redevelopment Authority in and for the city of South St. Paul, may retroactively approve a previously established interfund loan for the 4th Avenue Village Tax Increment District in the city of South St. Paul if the governing body adopts a resolution approving that loan by August 1, 2017, and if the requirements of Minnesota Statutes, section 469.178, subdivision 7, are otherwise complied with, the interfund loan authorization is deemed to satisfy Minnesota Statutes, section 469.178, subdivision 7.

EFFECTIVE DATE. This section is effective without local approval under Minnesota Statutes, section 645.023, subdivision 1, paragraph (a), on the day following final enactment.

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 1227, A bill for an act relating to taxation; making policy changes to corporate franchise taxes, property taxes, local government aids, sales and use taxes, special taxes, paid preparers, and other taxes and tax provisions; amending Minnesota Statutes 2016, sections 84.82, subdivision 10; 84.922, subdivision 11; 86B.401, subdivision 12; 270.074, subdivision 1; 270B.14, by adding subdivisions; 270C.445, subdivisions 2, 3, 5a, 6, 6a, 6b,

6c, 7, 8, by adding a subdivision; 270C.446, subdivisions 2, 3, 4, 5; 270C.447, subdivisions 1, 2, 3, by adding a subdivision; 272.025, subdivision 1; 272.0295, by adding a subdivision; 272.115, subdivisions 1, as amended, 2, 3; 273.124, subdivisions 13, 13d; 274.014, subdivision 3; 274.135, subdivision 3; 289A.50, subdivision 2a; 289A.60, subdivisions 13, 28; 296A.01, subdivision 7; 297B.07; 297I.30, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 297A; repealing Minnesota Statutes 2016, sections 270.074, subdivision 2; 270C.445, subdivision 1; 270C.447, subdivision 4; Minnesota Rules, part 8125.1300, subpart 3.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Albright	Davnie	Hausman	Lien	O'Driscoll	Slocum
Allen	Dean, M.	Heintzeman	Lillie	Olson	Smith
Anderson, P.	Dehn, R.	Hertaus	Loeffler	Omar	Sundin
Anderson, S.	Dettmer	Hilstrom	Lohmer	O'Neill	Swedzinski
Anselmo	Drazkowski	Hoppe	Loon	Pelowski	Theis
Applebaum	Ecklund	Hornstein	Loonan	Peppin	Thissen
Backer	Erickson	Hortman	Lucero	Petersburg	Torkelson
Bahr, C.	Fabian	Howe	Lueck	Peterson	Uglen
Baker	Fenton	Jessup	Mahoney	Pierson	Urdahl
Barr, R.	Fischer	Johnson, B.	Marquart	Pinto	Vogel
Becker-Finn	Flanagan	Johnson, C.	Masin	Poppe	Wagenius
Bennett	Franke	Johnson, S.	Maye Quade	Poston	Ward
Bernardy	Franson	Jurgens	McDonald	Pryor	West
Bliss	Freiberg	Kiel	Metsa	Pugh	Whelan
Bly	Garofalo	Knoblach	Miller	Quam	Wills
Carlson, A.	Green	Koegel	Moran	Rarick	Youakim
Carlson, L.	Grossell	Koznick	Murphy, E.	Rosenthal	Zerwas
Christensen	Gruenhagen	Kresha	Murphy, M.	Runbeck	Spk. Daudt
Clark	Gunther	Kunesh-Podein	Nash	Sandstede	
Considine	Haley	Layman	Nelson	Sauke	
Cornish	Halverson	Lee	Neu	Schomacker	
Daniels	Hamilton	Lesch	Newberger	Schultz	
Davids	Hansen	Liebling	Nornes	Scott	

The bill was passed, as amended, and its title agreed to.

H. F. No. 575 was reported to the House.

Urdahl moved to amend H. F. No. 575 as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire

and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, money appropriated in this act for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642. Unless otherwise specified in this act, money appropriated in this act for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046, should not be used for projects that can be financed within a reasonable time frame under Minnesota Statutes, section 16B.322 or 16C.144.

APPROPRIATIONS

Sec. 2. UNIVERSITY OF MINNESOTA

Subdivision 1. Total Appropriation

\$58,267,000

To the Board of Regents of the University of Minnesota for the purposes specified in this section.

Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR)

30,000,000

To be spent in accordance with Minnesota Statutes, section 135A.046.

Subd. 3. Duluth - Chemical Sciences and Advanced Materials Science Building

28,267,000

To design, construct, furnish, and equip a new laboratory building on the Duluth campus, including classrooms and research and undergraduate instructional laboratories.

Subd. 4. University Share

Except for the appropriation for HEAPR, the appropriations in this section are intended to cover approximately two-thirds of the cost of each project. The remaining costs must be paid from university sources.

Subd. 5. Unspent Appropriations

Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, the Board of Regents must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Regents must report by February 1 of each even-numbered year to the chairs of the house of representatives and senate committees with jurisdiction over capital investment and higher education finance, and to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

Sec. 3. **MINNESOTA STATE COLLEGES AND UNIVERSITIES**

Subdivision 1. Total Appropriation

\$36,244,000

To the Board of Trustees of the Minnesota State Colleges and Universities for the purposes specified in this section.

Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR)

25,000,000

To be spent in accordance with Minnesota Statutes, section 135A.046.

Subd. 3. Minnesota State Community and Technical College

(a) Fergus Falls Campus

978,000

To design, renovate, furnish, and equip a new Center for Student and Workforce Success (CSWS) that integrates the Regional Workforce Center. The board must enter into a lease agreement with the commissioner of employment and economic development, or partners of the commissioner, for use of the workforce center subject to Minnesota Statutes, section 16A.695. The board must use nonstate money for the remainder of the cost of the renovation.

(b) Wadena Campus

820,000

To design, renovate, furnish, and equip the relocation of the current library to underutilized space and convert the vacated space into a centralized student services center.

Subd. 4. Northland Community and Technical College, East Grand Forks

826,000

To design, renovate, furnish, and equip science and radiological lab space on the East Grand Forks campus.

Subd. 5. South Central College, North Mankato

8,600,000

To design, renovate, renew, furnish, and equip laboratory, classroom, and office spaces on the North Mankato campus.

Subd. 6. Debt Service

(a) Except as provided in paragraph (b), the Board of Trustees shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section. After each sale of general obligation bonds, the commissioner of management and budget shall notify the board of the amounts assessed for each year for the life of the bonds.

(b) The board need not pay debt service on bonds sold to finance HEAPR. Where a nonstate match is required, the debt service is due on a principal amount equal to one-third of the total project cost, less the match committed before the bonds are sold.

(c) The commissioner of management and budget shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of management and budget by December 1 each year. If the board fails to make a payment when due, the commissioner of management and budget shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of management and budget shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

Subd. 7. Unspent Appropriations

(a) Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, the board must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Trustees must report by February 1 of each even-numbered year to the chairs of the house of representatives and senate committees with jurisdiction over capital investment and higher education finance, and to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

(b) The unspent portion of an appropriation for a project in this section that is complete is available for HEAPR under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under this section is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 4. EDUCATION

Subdivision 1. Total Appropriation

\$3,500,000

To the commissioner of education for the purposes specified in this section.

Subd. 2. Library Construction Grants**2,000,000**

For library construction grants under Minnesota Statutes, section 134.45.

Subd. 3. Olmsted County - Dyslexia Institute of Minnesota**1,500,000**

For a grant to Olmsted County to acquire land for, and to predesign, design, construct, furnish, and equip a facility in Olmsted County to support the local, regional, and national literacy work of the Dyslexia Institute of Minnesota, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project is committed to it from nonstate sources.

Sec. 5. MINNESOTA STATE ACADEMIES**Subdivision 1. Total Appropriation****\$2,050,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Asset Preservation**2,000,000**

For capital asset preservation improvements and betterments on both campuses of the Minnesota State Academies, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Security Corridor**50,000**

For predesign for a safety corridor on the Minnesota State Academy for the Deaf campus.

Sec. 6. NATURAL RESOURCES**Subdivision 1. Total Appropriation****\$48,985,000**

(a) To the commissioner of natural resources for the purposes specified in this section.

(b) The appropriations in this section are subject to the requirements of the natural resources capital improvement program under Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than Minnesota Statutes, section 86A.12.

Subd. 2. Natural Resources Asset Preservation15,000,000

For the renovation of state-owned facilities and recreational assets operated by the commissioner of natural resources to be spent in accordance with Minnesota Statutes, section 84.946. Notwithstanding Minnesota Statutes, section 84.946:

(1) the commissioner may use this appropriation to replace buildings if, considering the embedded energy in the building, that is the most energy-efficient and carbon-reducing method of renovation; and

(2) this appropriation may be used for projects to remove life safety hazards such as building code violations or structural defects.

Subd. 3. Flood Hazard Mitigation11,555,000

(a) For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

(b) Levee projects, to the extent practical, shall meet the state standard of three feet above the 100-year flood elevation.

(c) Project priorities shall be determined by the commissioner as appropriate and based on need.

(d) This appropriation includes \$1,700,000 for the Cedar River Watershed District, \$750,000 for the city of Browns Valley project, and \$1,800,000 for the city of Ortonville project.

(e) For any project listed in this subdivision that the commissioner determines is not ready to proceed or does not expend all the money allocated to it, the commissioner may allocate that project's money to a project on the commissioner's priority list.

(f) To the extent that the cost of a project exceeds two percent of the median household income in a municipality or township multiplied by the number of households in the municipality or township, this appropriation is also for the local share of the project.

Subd. 4. Dam Renovation, Repair, Removal15,000,000

(a) For design, engineering, and construction to repair, reconstruct, or remove dams and respond to dam safety emergencies. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515. Of this appropriation:

- (1) \$500,000 is for emergencies on state-owned dams;
- (2) \$3,600,000 is for a grant to the city of Lanesboro for repair of the Lanesboro dam and notwithstanding the match requirements in Minnesota Statutes, section 103G.511, does not require a nonstate contribution. This includes funding for repairs of the hydropower system;
- (3) \$2,500,000 is for repairs to the Lake Bronson dam;
- (4) \$500,000 is for a grant to the city of Pelican Rapids for engineering work on the Pelican Rapids dam;
- (5) \$200,000 is for a grant to the city of Pine River for engineering work on the Norway Lake dam;
- (6) \$200,000 is for a grant to Yellow Medicine County for the Canby R-6 impoundment dam;
- (7) \$100,000 is for a grant to St. Louis County for the Little Stone Lake dam;
- (8) \$6,000,000 is for a grant to Dakota County to design and construct capital improvements to the hydroelectric generating facility, including replacement of obsolete turbines, at the Byllesby Dam located on the Cannon River; and
- (9) \$1,400,000 is for state dams at Brawner, West Leaf Lake, Collinwood, Grindstone River, and Sullivan.
- (b) If the commissioner determines that a project is not ready to proceed, this appropriation may be used for other projects on the commissioner's priority list.

Subd. 5. Reforestation and Stand Improvement

1,000,000

To provide for reforestation and stand improvement on state forest lands to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2, including purchasing native seeds and native seedlings, planting, seeding, site preparation, and protection on state lands administered by the commissioner.

Subd. 6. State Trail Acquisition and Development

3,130,000

For acquisition and development of the Gitchi-Gami State Trail, from Grand Marais to Cascade State Park, and through the town of Tofte.

Subd. 7. Champlin - Mill Pond**3,300,000**

For a grant to the city of Champlin to dredge and remove sediment and for other capital improvements to the Champlin Mill Pond necessary to improve water quality, restore fish habitat, and provide other public benefits.

Subd. 8. Unspent Appropriations

The unspent portion of an appropriation for a project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 84.946. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 7. POLLUTION CONTROL AGENCY**Subdivision 1. Total Appropriation****\$46,000,000**

To the Pollution Control Agency for the purposes specified in this section.

Subd. 2. St. Louis River Cleanup**25,400,000**

To design and implement contaminated sediment management actions identified in the St. Louis River remedial action plan to restore water quality in the St. Louis River Area of Concern.

Subd. 3. Closed Landfill Cleanup**11,350,000**

To design and construct remedial systems and acquire land at closed landfills throughout the state in accordance with the closed landfill program under Minnesota Statutes, sections 115B.39 to 115B.42. The agency must follow the agency priorities, which includes a construction project at the waste disposal engineering (WDE) site in Anoka County.

Subd. 4. Capital Assistance Program**9,250,000**

This appropriation is for a grant to Polk County under the solid waste capital assistance grant program under Minnesota Statutes, section 115A.54, in order to complete a regional integrated solid waste management system.

Sec. 8. BOARD OF WATER AND SOIL RESOURCES**Subdivision 1. Total Appropriation****\$15,000,000**

To the Board of Water and Soil Resources for the purposes specified in this section.

Subd. 2. Reinvest in Minnesota (RIM) Reserve Program10,000,000

(a) To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands, and restore and enhance rivers and streams, riparian lands, and associated uplands of prairie and grasslands in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damage, and provide other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this program.

(b) The board shall give priority to leveraging federal money by enrolling targeted new lands or enrolling environmentally sensitive lands that have expiring federal conservation agreements.

(c) The board is authorized to enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration. Of this appropriation, up to five percent may be used for restoration and enhancement.

Subd. 3. Local Government Roads Wetland Replacement Program5,000,000

To acquire land or permanent easements and to restore, create, enhance, and preserve wetlands to replace those wetlands drained or filled as a result of the repair, reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). The board may vary the priority order of Minnesota Statutes, section 103G.222, subdivision 3, paragraph (a), to implement an in-lieu fee agreement approved by the U.S. Army Corps of Engineers under section 404 of the Clean Water Act. The purchase price paid for acquisition of land or perpetual easement must be a fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, nonprofit organizations, fee title owners, or other qualified private entities to acquire wetland replacement credits in accordance with Minnesota Rules, chapter 8420.

Up to \$560,000 of this appropriation may be spent to replace wetlands drained or filled associated with a new public road project to improve public safety in a greater than 80 percent area, as defined in Minnesota Statutes, section 103G.005, subdivision 10b.

Sec. 9. MINNESOTA ZOOLOGICAL GARDEN**Subdivision 1. Total Appropriation**\$4,000,000

To the Minnesota Zoological Garden Board for the purposes specified in this section.

Subd. 2. Asset Preservation**4,000,000**

For capital asset preservation improvements and betterments to infrastructure and exhibits at the Minnesota Zoo, to be spent in accordance with Minnesota Statutes, section 16B.307. Notwithstanding the specified uses of money under Minnesota Statutes, section 16B.307, the board may use this appropriation to replace buildings that are in poor condition, outdated, and no longer support the work of the Minnesota Zoo and to construct and renovate trails and roads on the Minnesota Zoo site.

Sec. 10. ADMINISTRATION**Subdivision 1. Total Appropriation****\$12,500,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Capitol Complex - Physical Security Upgrades**10,500,000**

For the design, construction, and equipping required to upgrade the physical security elements and systems for one or more of the buildings listed below, their attached tunnel systems and surrounding grounds, and parking facilities as identified in the 2014 Minnesota State Capitol Complex Physical Security Study conducted by Miller Dunwiddie Architecture. Work includes but is not limited to the installation of bollards, blast protection, infrastructure security screen walls, door access controls, emergency call stations, security kiosks, locking devices, and traffic control to the extent these funds allow. This appropriation is for work associated with one or more of the following buildings: Administration, Centennial, Judicial, Ag/Health Lab, Minnesota History Center, Minnesota History Center Loading Dock, Capitol Complex Power Plant and Shops, Stassen, State Office, and Veterans Service.

Subd. 3. Capital Asset Preservation and Replacement Account**2,000,000**

To be spent in accordance with Minnesota Statutes, section 16A.632.

Sec. 11. MN.IT**\$1,432,000**

To the commissioner of administration to predesign, design, construct, renovate, furnish, and equip existing state data center facilities at the Bureau of Criminal Apprehension's Maryland Avenue office building, at the Centennial Office Building, and at the Department of Revenue's Stassen Office Building for the purpose of decommissioning and repurposing into usable office space.

Sec. 12. **MILITARY AFFAIRS****Subdivision 1. Total Appropriation****\$2,500,000**To the adjutant general for the purposes specified in this section.**Subd. 2. Asset Preservation**2,500,000For asset preservation improvements and betterments of a capital nature at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.Sec. 13. **PUBLIC SAFETY****Subdivision 1. Total Appropriation****\$3,521,000**To the named official for the purposes specified in this section.**Subd. 2. Camp Ripley Training Facility**3,521,000To the adjutant general to predesign, design, construct, and equip a joint emergency railroad and pipeline emergency response training facility at Camp Ripley. The project includes construction of stations and capital infrastructure needed for mock disaster training, including infrastructure for training in hazardous materials abatement and site recovery work.Sec. 14. **TRANSPORTATION****Subdivision 1. Total Appropriation****\$248,717,000**To the commissioner of transportation for the purposes specified in this section.**Subd. 2. Local Bridge Replacement and Rehabilitation**59,000,000From the bond proceeds account in the state transportation fund to match federal money and to replace or rehabilitate local deficient bridges as provided in Minnesota Statutes, section 174.50.**Subd. 3. Local Road Improvement Fund Grants**104,691,000(a) From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for trunk highway corridor projects under Minnesota Statutes, section 174.52, subdivision 2, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

(b) Of this amount, \$9,000,000 is for a grant to Anoka County to realign and make associated improvements to County State-Aid Highway 23 (Lake Drive), County State-Aid Highway 54 (West Freeway Drive), and to Hornsby Street in the city of Columbus.

(c) Of this amount, \$3,246,000 is for a grant to the city of Blaine to predesign, design, and reconstruct 105th Avenue in the vicinity of the National Sports Center in Blaine. The reconstruction will include changing the street from five lanes to four lanes with median, turn lanes, sidewalk, trail, landscaping, lighting, and consolidation of access driveways. This appropriation is not available until the commissioner of management and budget determines that at least \$3,000,000 is committed to the project from sources available to the city, including municipal state aid and county turnback funds.

(d) Of this amount, \$25,000,000 is for a grant to Hennepin County, the city of Minneapolis, or both, for design, right-of-way acquisition, engineering, and construction of public improvements related to the Interstate Highway 35W and Lake Street access project and related improvements within the Interstate Highway 35W corridor. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete this portion of the Interstate Highway 35W and Lake Street access project has been committed to the project.

(e) Of this amount \$10,500,000 is for a grant to Carver County for environmental analysis and to acquire right-of-way access, predesign, design, engineer, and construct an interchange at marked Trunk Highway 212 and Carver County Road 44 in the city of Chaska, including a new bridge and ramps, to support the development of approximately 400 acres of property in the city of Chaska's comprehensive plan.

(f) Of this amount, \$700,000 is for a grant to Redwood County to pave Nobles Avenue as the main access road to a new State Veterans Cemetery to be located in Paxton Township.

Subd. 4. Rail Grade Separation on Crude Oil Rail Corridors

69,624,000

(a) Of this amount, \$42,262,000 is for a grant to the city of Moorhead for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation in the vicinity of 21st Street South.

(b) \$12,600,000 is for a grant to Anoka County for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Anoka County State-Aid Highway 78, known as Hanson Boulevard, in Coon Rapids.

(c) Of this amount, \$14,762,000 is for a grant to the city of Red Wing for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Sturgeon Lake Road.

(d) Any unspent portion of this appropriation after completion of a project in this subdivision may be used for grants in accordance with Minnesota Statutes, section 219.016.

Subd. 5. Railroad Warning Devices

1,000,000

To design, construct, and equip replacement of active highway-rail grade warning devices that have reached the end of their useful life.

Subd. 6. Minnesota Valley Regional Railroad Authority

4,000,000

For a grant to the Minnesota Valley Regional Rail Authority for the rehabilitation of a portion of the railroad track between Winthrop and Hanley Falls. The grant under this subdivision may also be used for any required environmental documentation and remediation, predesign, design, and rehabilitation or replacement of bridges with new bridges or culverts between Winthrop and Hanley Falls. A grant under this section is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62. This appropriation is in addition to the appropriations in Laws 2006, chapter 258, section 16, subdivision 6; Laws 2008, chapter 179, section 16, subdivision 5; Laws 2009, chapter 93, article 1, section 11, subdivision 4; Laws 2010, chapter 189, section 15, subdivision 5; and Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 4.

Subd. 7. Port Development Assistance

5,000,000

For grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned.

Subd. 8. International Falls-Koochiching County Airport Commission

3,000,000

(a) For a grant to the International Falls-Koochiching County Airport Commission for the following improvements to the Falls International Airport:

(1) demolition of the existing terminal building;

(2) rehabilitation;

(3) site preparation, including utilities and civil work;

(4) design, construction, furnishing, and equipping Phase II of the new terminal building, including a Transportation Safety Administration office, weather office, conference room, circulation corridor, airport administration offices, United States Customs and Border Protection storage rooms, offices, restrooms, passenger-processing area, wet-hold room, interview room, search room, precustoms and postcustoms passenger waiting areas, and vestibule; and

(5) associated appurtenances of a capital nature.

(b) After completion of the improvements under paragraph (a), any unspent money from this appropriation may be used by the International Falls-Koochiching County Airport Commission for a commercial airline apron expansion project at the Falls International Airport.

(c) This appropriation does not require a nonstate contribution or match.

Subd. 9. **Grand Rapids - Pedestrian Bridge**

750,000

For a grant to the city of Grand Rapids to design the construction of a bridge over the Mississippi River for pedestrian and bicycle use to provide a safe alternative route to the existing marked Trunk Highway 169 vehicle bridge, and to serve as a connection to existing trail systems on each side of the river. This appropriation is not available until the commissioner determines that at least an equal amount has been committed to the project from nonstate sources.

Subd. 10. **Safe Routes to School**

1,650,000

For grants under Minnesota Statutes, section 174.40.

Sec. 15. **METROPOLITAN COUNCIL**

Subdivision 1. **Total Appropriation**

\$20,839,000

To the Metropolitan Council for the purposes specified in this section.

Subd. 2. **Metropolitan Regional Parks and Trails Capital Improvements**

5,000,000

For the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. This appropriation must not be used to purchase easements.

Subd. 3. Metropolitan Cities Inflow and Infiltration Grants

3,739,000

For grants to cities within the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the Metropolitan Council's metropolitan sanitary sewer disposal system. Grants from this appropriation are for up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection systems. To be eligible for a grant, a city must be identified by the council as a contributor of excessive inflow and infiltration in the metropolitan disposal system or have a measured flow rate within 20 percent of its allowable council-determined inflow and infiltration limits. The council must award grants based on applications from cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council.

Subd. 4. Metro Orange Line BRT

12,100,000

Up to \$12,100,000, but an amount that is no more than ten percent of the total project cost, is for the Metropolitan Council, or for the Metropolitan Council to make grants to political subdivisions, for design, acquisition of right-of-way, engineering, and construction of capital improvements along the I-35W corridor for completion of the Metro Orange Bus Rapid Transit (BRT) Line.

Sec. 16. HUMAN SERVICES

Subdivision 1. Total Appropriation

\$92,035,000

To the commissioner of administration, or another named agency, for the purposes specified in this section.

Subd. 2. Minnesota Security Hospital - St. Peter

70,255,000

To complete design, remodel, construct, furnish, and equip the second phase of the two-phase project to remodel existing, and to develop new, residential, program, activity, and ancillary facilities for the Minnesota Security Hospital on the upper campus of the St. Peter Regional Treatment Center. This appropriation includes money to: demolish, renovate, and remodel existing space; construct new space; address fire and life safety, and other building code deficiencies; replace or renovate interior finishes; purchase furnishings, fixtures, and equipment; replace or renovate the Minnesota Security Hospital building's HVAC, plumbing, electrical, security, and life safety systems; tuck-point; replace windows and doors; design and abate asbestos and hazardous materials; and complete site work necessary to support the programmed use of the facilities on the St. Peter Regional Treatment Center upper campus.

Subd. 3. Child and Adolescent Behavioral Health Services7,530,000

(a) To predesign, design, construct, furnish, and equip a new community-based 16-bed psychiatric hospital facility to house the Child and Adolescent Behavioral Health Services (CABHS) program to be located in or near the city of Willmar. This appropriation includes funds for land purchase, surveying, predesign and design fees, construction administration, project management, site work, site and building infrastructure, construction, and furniture, fixtures, and equipment.

(b) Notwithstanding any law to the contrary, the 16 hospital beds licensed to the CABHS's facility on January 1, 2017, by the Department of Health, may transfer to this new facility upon completion, and approved inspection by the Departments of Health and Human Services.

Subd. 4. Anoka Metro Regional Treatment Center - Safety and Security Renovations2,250,000

To provide security upgrades of a capital nature at the Anoka Metro Regional Treatment Center campus, including but not limited to control centers, electronic monitoring and perimeter security equipment, new or updated security fencing, and other building security renovations. This appropriation includes money for: predesign, design, furnishing, fixtures, and equipment; construction of safety and security improvements to courtyards on residential treatment units; securely enclosing the nursing station on Unit G; and installing a campus-wide closed-circuit television video security system, a facility-wide personal duress alarm system, a key control system, and an electronic access control system.

Subd. 5. St. Paul - Dorothy Day Opportunity Center12,000,000

To the commissioner of human services for a grant to the city of St. Paul to predesign, design, construct, furnish, and equip an opportunity center to serve as an integrated one-stop delivery system connecting persons at risk of becoming homeless, and persons working to move up and out of homelessness, and to provide services that improve their health, income, housing stability, or well-being, subject to Minnesota Statutes, section 16A.695. This appropriation may be used to acquire property for these purposes. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed to the project from nonstate sources.

Sec. 17. VETERANS AFFAIRS**Subdivision 1. Total Appropriation****\$12,851,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Asset Preservation5,000,000

For asset preservation improvements and betterments of a capital nature at the veterans homes in Minneapolis, Hastings, Fergus Falls, Silver Bay, and Luverne, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Minneapolis Veterans Home Truss Bridge Project7,851,000

To design, construct, renovate, and equip the historic truss bridge on the Minneapolis Veterans Home campus, including asbestos and hazardous materials abatement and associated site work.

Sec. 18. CORRECTIONS**Subdivision 1. Total Appropriation****\$39,000,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Asset Preservation20,000,000

For asset preservation improvements and betterments of a capital nature at Minnesota correctional facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Minnesota Correctional Facility - St. Cloud19,000,000

To construct and equip a new intake unit and a loading dock with a secure connection to a new central warehouse at the St. Cloud correctional facility.

Sec. 19. EMPLOYMENT AND ECONOMIC DEVELOPMENT**Subdivision 1. Total Appropriation****\$42,272,000**

To the commissioner of employment and economic development for the purposes specified in this section.

Subd. 2. Transportation Economic Development7,000,000

For grants under Minnesota Statutes, section 116J.436.

Subd. 3. Greater Minnesota Business Development Public Infrastructure Grants12,000,000

For grants under Minnesota Statutes, section 116J.431.

Subd. 4. Innovative Business Development Public Infrastructure Grants2,500,000

For grants under Minnesota Statutes, section 116J.435.

Subd. 5. Eagle's Healing Nest300,000

From the general fund for a grant to Eagle's Healing Nest in Sauk Centre.

Subd. 6. Chisago County Law Enforcement and Emergency Operations Center3,000,000

For a grant to Chisago County to predesign, design, construct, furnish, and equip a municipal complex that includes a law enforcement and emergency operations center, and related facilities and infrastructure, for interconnection to the county emergency communications center. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources. Amounts expended by Chisago County for project costs since July 1, 2015, shall count toward the matching requirement.

Subd. 7. Litchfield - Phase 2 Power Generation Improvements3,000,000

For a grant to the city of Litchfield to design and construct electrical generation improvements in the city of Litchfield to expand the current standby capacity. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources.

Subd. 8. Minneapolis - Pioneers and Soldiers Cemetery Restoration1,029,000

For a grant to the city of Minneapolis to restore the historic steel and limestone pillar fence along Cedar Avenue and Lake Street, install a new steel fence and pillars along 21st Avenue South, and install a waterproofing system for preservation of the fence and pillars, at the Pioneer and Soldiers Cemetery. This appropriation does not require a nonstate contribution.

Subd. 9. St. James - Public Infrastructure3,443,000

For a grant to the city of St. James. Of this amount, \$2,193,000 is for engineering, right-of-way acquisition, and reconstruction of streets, sidewalks, storm water and sanitary sewer, water mains, lighting, utilities, and other capital improvements of publicly owned infrastructure required for the reconstruction of marked Trunk Highway 4 in the city of St. James, and \$1,250,000 is for replacement of the storm sewer drain that serves St. James Lake and the entire southern section of the city of St. James.

**Subd. 10. St. Paul - Science Museum of Minnesota
Building Preservation**

13,000,000

For a grant to the city of St. Paul for predesign, design, and construction work to replace water-damaged elements of the Science Museum of Minnesota's exterior envelope and some resultant interior damage caused by latent design and construction defects, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that an equal amount has been committed to the project from nonstate sources. Capital costs paid by the Science Museum of Minnesota since January 1, 2014, relating to the water intrusion damage, shall count towards the match requirement.

Sec. 20. PUBLIC FACILITIES AUTHORITY

Subdivision 1. Total Appropriation

\$114,963,000

To the Public Facilities Authority for the purposes specified in this section. The Public Facilities Authority may use the funds in this section or other available funds to amend project financing agreements awarded after July 1, 2016, based on program changes to Minnesota Statutes, sections 446A.072 and 446A.073, in article 2 of this act.

Subd. 2. State Match for Federal Grants

17,000,000

To match federal grants for the clean water revolving fund under Minnesota Statutes, section 446A.07, and the drinking water revolving fund under Minnesota Statutes, section 446A.081. This appropriation must be used for qualified capital projects.

Subd. 3. Water Infrastructure Funding Program

55,000,000

(a) For grants to eligible municipalities under the water infrastructure funding program under Minnesota Statutes, section 446A.072.

(b) \$40,000,000 is for wastewater projects listed on the Pollution Control Agency's project priority list in the fundable range under the clean water revolving fund program.

(c) \$15,000,000 is for drinking water projects listed on the Department of Health's project priority list in the fundable range under the drinking water revolving fund program.

(d) After all eligible projects under paragraph (b) or (c) have been funded, the Public Facilities Authority may transfer any remaining, uncommitted money to eligible projects under a program defined in paragraph (b) or (c) based on that program's project priority list.

Subd. 4. Point Source Implementation Grants Program33,737,000

For grants to eligible municipalities under the point source implementation grants program under Minnesota Statutes, section 446A.073. This appropriation must be used for qualified capital projects.

Subd. 5. Big Lake Area Sanitary District - Sewer System and Force Main1,200,000

For a grant to the Big Lake Area Sanitary District to construct a pressure sewer system and force main to convey sewage to the Western Lake Superior Sanitary District connection in the city of Cloquet. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources. This appropriation is in addition to the appropriation in Laws 2014, chapter 294, article 1, section 22, subdivision 4.

Subd. 6. Dennison - Sewage Treatment System Improvements726,000

For a grant to the city of Dennison to predesign, design, and construct a new lift station and make sewage pond improvements. This appropriation does not require a nonstate contribution.

Subd. 7. East Grand Forks - Wastewater Interconnection Infrastructure5,300,000

For a grant to the city of East Grand Forks to design and construct Phase I of the wastewater infrastructure improvements interconnecting the wastewater system of East Grand Forks to the wastewater treatment system in Grand Forks, North Dakota, and to design and construct Phase II, decommissioning of the wastewater stabilization ponds in East Grand Forks, Minnesota. This appropriation may not be used for improvements outside the state. This appropriation is in addition to grants under Minnesota Statutes, section 446A.072. A nonstate match is not required.

Subd. 8. Koochiching County - Voyageurs National Park Clean Water Project2,000,000

(a) For a grant to Koochiching County to acquire land or interests in land, and to design, engineer, construct, and equip sanitary sewage systems and facilities to implement a portion or portions of the Voyageurs National Park clean water project comprehensive plan. This appropriation is available after the commissioner of management and budget determines that \$4,500,000 is committed from nonstate sources.

(b) This appropriation is in addition to the appropriation in Laws 2014, chapter 294, article 1, section 22, subdivision 7. Notwithstanding the match requirement in Laws 2014, chapter 294, article 1, section 22, subdivision 7, the nonstate match required for this appropriation and the 2014 appropriation for a grant to Koochiching County is 25 percent of the state grant amounts. Any money remaining from this appropriation after completion of the projects in paragraph (a) is available for grants to Koochiching County or St. Louis County to be used for other capital projects described in the comprehensive plan and as determined by the Voyageurs National Park Clean Water Joint Powers Board.

Sec. 21. **MINNESOTA HOUSING FINANCE AGENCY**

\$10,000,000

For transfer to the housing development fund to finance the costs of rehabilitation to preserve public housing under Minnesota Statutes, section 462A.202, subdivision 3a. For purposes of this section, "public housing" means housing for low-income persons and households financed by the federal government and owned and operated by the public housing authorities and agencies formed by cities and counties. Public housing authorities receiving a public housing assessment composite score of 80 or above or an equivalent designation are eligible to receive funding. Priority must be given to proposals that maximize federal or local resources to finance the capital costs. The priority in Minnesota Statutes, section 462A.202, subdivision 3a, for projects to increase the supply of affordable housing and the restrictions of Minnesota Statutes, section 462A.202, subdivision 7, do not apply to this appropriation.

Sec. 22. **MINNESOTA HISTORICAL SOCIETY**

Subdivision 1. **Total Appropriation**

\$2,500,000

To the Minnesota Historical Society for the purposes specified in this section.

Subd. 2. **Historic Sites Asset Preservation**

2,500,000

For capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

Sec. 23. **BOND SALE EXPENSES**

\$821,000

To the commissioner of management and budget for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Sec. 24. **BOND SALE AUTHORIZATION.**

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$656,986,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$163,691,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 25. **CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.**

(a) The remaining uncommitted appropriations from the bond proceeds fund in Laws 1990, chapter 610, are canceled and the bond sale authorization in Laws 1990, chapter 610, article 1, section 30, subdivision 1, as amended, is reduced by \$3,129.

(b) The remaining uncommitted appropriations from the bond proceeds fund in Laws 1994, chapter 643, are canceled and the bond sale authorization in Laws 1994, chapter 643, section 31, subdivision 1, as amended, is reduced by \$24,480.

(c) The remaining uncommitted appropriations from the bond proceeds fund in Laws 1997, Second Special Session chapter 2, are canceled and the bond sale authorization in Laws 1997, Second Special Session chapter 2, section 12, as amended, is reduced by \$96,992.

(d) The remaining uncommitted appropriations from the bond proceeds fund in Laws 1999, chapter 240, are canceled and the bond sale authorization in Laws 1999, chapter 240, article 1, section 13, subdivision 1, as amended, is reduced by \$212,472.

(e) The remaining uncommitted appropriations from the bond proceeds fund in Laws 2000, chapter 492, are canceled and the bond sale authorization in Laws 2000, chapter 492, article 1, section 26, subdivision 1, as amended, is reduced by \$7,933,538.

(f) The remaining uncommitted appropriations from the bond proceeds fund in Laws 2002, chapter 393, are canceled and the bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended, is reduced by \$188,471.

(g) The remaining uncommitted appropriations from the bond proceeds fund in Laws 2002, First Special Session chapter 1, are canceled and the bond sale authorization in Laws 2002, First Special Session chapter 1, section 9, subdivision 1, is reduced by \$217,959.

(h) The remaining uncommitted appropriations from the trunk highway bond proceeds fund in Laws 2003, First Special Session chapter 19, article 3, are canceled and the bond sale authorization in Laws 2003, First Special Session chapter 19, article 3, section 2, is reduced by \$201,530.

(i) The remaining uncommitted appropriations from the trunk highway bond proceeds fund in Laws 2003, First Special Session chapter 19, article 4, are canceled and the bond sale authorization in Laws 2003, First Special Session chapter 19, article 4, section 4, is reduced by \$326,534.

(j) The remaining uncommitted appropriations from the bond proceeds fund in Laws 2005, chapter 20, are canceled and the bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended, is reduced by \$3,366,628.

(k) The \$700,000 appropriation from the bond proceeds fund in Laws 2011, First Special Session chapter 12, section 13, subdivision 8, for St. Louis Park noise barriers, is canceled and the bond sale authorization in Laws 2011, First Special Session chapter 12, section 23, subdivision 1, is reduced by the same amount.

(l) The \$2,285,000 appropriation from the bond proceeds fund in Laws 2012, First Special Session chapter 1, article 1, section 3, subdivision 2, to the commissioner of public safety for disaster relief, is canceled and the bond sale authorization in Laws 2012, First Special Session chapter 1, article 1, section 16, subdivision 1, is reduced by the same amount.

(m) \$1,380,000 of the appropriation from the bond proceeds fund in Laws 2012, First Special Session chapter 1, article 1, section 6, to the Public Facilities Authority for disaster relief, is canceled and the bond sale authorization in Laws 2012, First Special Session chapter 1, article 1, section 16, subdivision 1, is reduced by the same amount.

(n) The \$300,000 appropriation from the general fund in Laws 2015, First Special Session chapter 5, article 1, section 14, subdivision 4, for Eagle's Healing Nest is canceled.

Sec. 26. **BOND SALE SCHEDULE.**

The commissioner of management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2019, no more than \$1,142,817,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of management and budget shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 27. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective the day following final enactment.

ARTICLE 2
MISCELLANEOUS

Section 1. Minnesota Statutes 2016, section 16A.967, is amended to read:

16A.967 LEWIS AND CLARK APPROPRIATION BONDS.

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Appropriation bond" or "bond" means a bond, note, or other similar instrument of the state payable during a biennium from one or more of the following sources:

(1) money appropriated by law from the general fund in any biennium for debt service due with respect to obligations described in ~~subdivision 2, paragraph (e)~~ subdivisions 2a and 2b;

(2) proceeds of the sale of obligations described in ~~subdivision 2, paragraph (c)~~ subdivisions 2a and 2b;

(3) payments received for that purpose under agreements and ancillary arrangements described in subdivision 2, paragraph ~~(e)~~ (d); and

(4) investment earnings on amounts in clauses (1) to (3).

(c) "Debt service" means the amount payable in any biennium of principal, premium, if any, and interest on appropriation bonds.

Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the limitations of this subdivision, the commissioner may sell and issue appropriation bonds of the state under this section for public purposes as provided by law, ~~including, in particular, the financing of the land acquisition, design, engineering, and construction of facilities and infrastructure necessary to complete the next phase of the Lewis and Clark Regional Water System project, including completion of the pipeline to Magnolia, extension of the project to the Lincoln Pipestone Rural Water System connection near Adrian, and engineering, design, and easement acquisition for the final phase of the project to Worthington. No bonds shall be sold until the commissioner determines that a nonstate match of at least \$9,000,000 is committed to this project phase.~~ Grant agreements entered into under this section must provide for reimbursement to the state from any federal money provided for the project, consistent with the Lewis and Clark Regional Water System, Inc., agreement.

(b) The appropriation bonds may be issued and sold only after the commissioner determines that the construction and administration for work done on the project will comply with (1) all federal requirements and regulations associated with the Lewis and Clark Rural Water System Act of 2000, and (2) the cooperative agreement between the United States Department of the Interior and the Lewis and Clark Regional Water System, Inc. Proceeds of the appropriation bonds must be credited to a special appropriation Lewis and Clark bond proceeds fund in the state treasury. All income from investment of the bond proceeds, as estimated by the commissioner, is appropriated to the commissioner for the payment of principal and interest on the appropriation bonds.

~~(c) Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient money, not to exceed \$19,000,000 net of costs of issuance, for the purposes as provided under paragraph (a), and pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under paragraph (e).~~

~~(d)~~ (c) Appropriation bonds may be issued in one or more issues or series on the terms and conditions the commissioner determines to be in the best interests of the state, but the term on any series of appropriation bonds may not exceed 25 years. The appropriation bonds of each issue and series thereof shall be dated and bear interest, and may be includable in or excludable from the gross income of the owners for federal income tax purposes.

~~(e)~~ (d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter into agreements and ancillary arrangements relating to the appropriation bonds, including but not limited to trust indentures, grant agreements, lease or use agreements, operating agreements, management agreements, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received according to the agreement or ancillary arrangement shall be made from or deposited as provided in the agreement or ancillary arrangement. The determination of the commissioner included in an interest exchange agreement that the agreement relates to an appropriation bond shall be conclusive.

~~(f)~~ (e) The commissioner may enter into written agreements or contracts relating to the continuing disclosure of information necessary to comply with or facilitate the issuance of appropriation bonds in accordance with federal securities laws, rules, and regulations, including Securities and Exchange Commission rules and regulations in Code

of Federal Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants with purchasers and holders of appropriation bonds set forth in the order or resolution authorizing the issuance of the appropriation bonds, or a separate document authorized by the order or resolution.

~~(g)~~ (f) The appropriation bonds are not subject to chapter 16C.

Subd. 2a. **Project authorization.** Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient money to the Public Facilities Authority under subdivision 7, paragraph (a), not to exceed \$19,000,000 net of costs of issuance, for the purposes as provided under this subdivision, and pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under subdivision 2, paragraph (d). The bonds authorized by this subdivision are for the purposes of financing the land acquisition, design, engineering, and construction of facilities and infrastructure necessary to complete Phase 2 of the Lewis and Clark Regional Water System project, including completion of the pipeline to Magnolia; extension of the project to the Lincoln-Pipestone Rural Water System connection near Adrian; engineering, design, and easement acquisition for the final phase of the project to Worthington; and to begin and proceed with Phase 3, described in subdivision 2b. No bonds shall be sold under this subdivision until the commissioner determines that a nonstate match of at least \$9,000,000 is committed to this project phase. Upon certification by the Lewis and Clark Joint Powers Board that the bond sale authorization provided by this subdivision has fully met the needs of Phase 2 of the project, and to the extent there is additional authorization remaining, this authorization is also available for the purposes of and on the same conditions as subdivision 2b.

Subd. 2b. **Additional project authorization.** Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient money to the Public Facilities Authority under subdivision 7, paragraph (b), not to exceed \$3,500,000 net of costs of issuance, for the purposes as provided under this subdivision, and pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under subdivision 2, paragraph (d). The bonds authorized by this subdivision are for the purposes of financing the land acquisition, design, engineering, and construction of facilities and infrastructure necessary to complete Phase 3 of the Lewis and Clark Regional Water System project, including extension of the project from the Lincoln-Pipestone Rural Water System connection near Adrian to Worthington, construction of a reservoir in Nobles County and a meter building in Worthington, and acquisition and installation of a supervisory control and data acquisition (SCADA) system. No bonds shall be sold under this subdivision until the commissioner determines that a nonstate match of at least \$9,000,000 is committed to the final phase of the project.

Subd. 3. **Form; procedure.** (a) Appropriation bonds may be issued in the form of bonds, notes, or other similar instruments, and in the manner provided in section 16A.672. In the event that any provision of section 16A.672 conflicts with this section, this section shall control.

(b) Every appropriation bond shall include a conspicuous statement of the limitation established in subdivision 6.

(c) Appropriation bonds may be sold at either public or private sale upon such terms as the commissioner shall determine are not inconsistent with this section and may be sold at any price or percentage of par value. Any bid received may be rejected.

(d) Appropriation bonds must bear interest at a fixed or variable rate.

(e) Notwithstanding any other law, appropriation bonds issued under this section shall be fully negotiable.

Subd. 4. **Refunding bonds.** The commissioner may issue appropriation bonds for the purpose of refunding any appropriation bonds then outstanding, including the payment of any redemption premiums on the bonds, any interest accrued or to accrue to the redemption date, and costs related to the issuance and sale of the refunding bonds. The

proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the appropriation bonds to be refunded, to the redemption of the outstanding appropriation bonds on any redemption date, or to pay interest on the refunding bonds and may, pending application, be placed in escrow to be applied to the purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on the investment may also be applied to the payment of the appropriation bonds to be refunded or interest or premiums on the refunded appropriation bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been fully satisfied, any balance of the proceeds and any investment income may be returned to the general fund or, if applicable, the special appropriation Lewis and Clark bond proceeds fund for use in any lawful manner. All refunding bonds issued under this subdivision must be prepared, executed, delivered, and secured by appropriations in the same manner as the appropriation bonds to be refunded.

Subd. 5. **Appropriation bonds as legal investments.** Any of the following entities may legally invest any sinking funds, money, or other funds belonging to them or under their control in any appropriation bonds issued under this section:

(1) the state, the investment board, public officers, municipal corporations, political subdivisions, and public bodies;

(2) banks and bankers, savings and loan associations, credit unions, trust companies, savings banks and institutions, investment companies, insurance companies, insurance associations, and other persons carrying on a banking or insurance business; and

(3) personal representatives, guardians, trustees, and other fiduciaries.

Subd. 6. **No full faith and credit; state not required to make appropriations.** The appropriation bonds are not public debt of the state, and the full faith, credit, and taxing powers of the state are not pledged to the payment of the appropriation bonds or to any payment that the state agrees to make under this section. Appropriation bonds shall not be obligations paid directly, in whole or in part, from a tax of statewide application on any class of property, income, transaction, or privilege. Appropriation bonds shall be payable in each fiscal year only from amounts that the legislature may appropriate for debt service for any fiscal year, provided that nothing in this section shall be construed to require the state to appropriate money sufficient to make debt service payments with respect to the appropriation bonds in any fiscal year. Appropriation bonds shall be canceled and shall no longer be outstanding on the earlier of (1) the first day of a fiscal year for which the legislature shall not have appropriated amounts sufficient for debt service, or (2) the date of final payment of the principal of and interest on the appropriation bonds.

Subd. 7. **Appropriation of proceeds.** (a) The proceeds of appropriation bonds issued under subdivision 2a and interest credited to the special appropriation Lewis and Clark bond proceeds fund are appropriated as follows:

(1) to the commissioner Public Facilities Authority for a grant to the Lewis and Clark Joint Powers Board for payment of capital expenses for the purposes provided by as specified in subdivision 2, paragraph (a), 2a; and

(2) to the commissioner for debt service on the bonds including capitalized interest, nonsalary costs of issuance of the bonds, costs of credit enhancement of the bonds and payments under any agreements entered into under subdivision 2, paragraph (e) (d), each as permitted by state and federal law, and such proceeds may be granted, loaned, or otherwise provided for the public purposes provided by subdivision 2, paragraph (a).

(b) The proceeds of appropriation bonds issued under subdivision 2b and interest credited to the special appropriation Lewis and Clark bond proceeds fund are appropriated as follows:

(1) to the Public Facilities Authority for a grant to the Lewis and Clark Joint Powers Board for payment of capital expenses as specified in subdivision 2b; and

(2) to the commissioner for debt service on the bonds including capitalized interest, nonsalary costs of issuance of the bonds, costs of credit enhancement of the bonds, and payments under any agreements entered into under subdivision 2, paragraph (d), each as permitted by state and federal law.

Subd. 8. **Appropriation for debt service and other purposes.** (a) An amount, up to \$1,351,000 needed to pay principal and interest on appropriation bonds issued under ~~this section~~ subdivision 2a is appropriated each fiscal year from the general fund to the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation, otherwise pursuant to subdivision 6, for deposit into the bond payments account established for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The appropriation is available beginning in fiscal year 2017 and through fiscal year 2038.

(b) An amount up to \$265,000 needed to pay principal and interest on appropriation bonds issued under subdivision 2b is appropriated each fiscal year from the general fund to the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation, otherwise pursuant to subdivision 6, for deposit into the bond payments account established for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The appropriation is available beginning in fiscal year 2018 and through fiscal year 2039.

Subd. 9. **Waiver of immunity.** The waiver of immunity by the state provided for by section 3.751, subdivision 1, shall be applicable to the appropriation bonds and any ancillary contracts to which the commissioner is a party.

Sec. 2. **[16C.054] ACCOMMODATION FOR HARD-OF-HEARING IN STATE-FUNDED CAPITAL PROJECTS.**

Subdivision 1. **Definition.** For purposes of this section, "public gathering space" means a space that is constructed or renovated as part of the project: (1) that accommodates and is intended to be used for gatherings of 15 or more people; and (2) in which audible communications are integral to a use of the space.

Subd. 2. **Accommodation for hard-of-hearing in state-funded capital projects.** No commissioner or agency head may approve a contract or grant state funds for a capital improvement project to construct or renovate a public gathering space in a building unless:

(1) the project includes equipping the public gathering space, if the public gathering space has or will have a permanent audio-amplification system, with audio-induction loops to provide an electromagnetic signal for hearing aids and cochlear implants; and

(2) the project includes meeting the American National Standards Institute Acoustical Performance Criteria, Design Requirements and Guidelines for Schools on maximum background noise level and reverberation times in the public gathering space.

Subd. 3. **Exemption.** A commissioner or agency head may approve a contract or grant state funds for a capital improvement project to construct or renovate a building that does not meet a requirement of subdivision 2, when the commissioner or agency head determines that meeting that requirement is not feasible, is in conflict with other requirements in law, is in conflict with other project requirements, or that costs outweigh the benefits. The commissioner must consult with the Commission of Deaf, Deafblind, and Hard-of-Hearing Minnesotans before making the determination.

Subd. 4. **Exemption reports.** A commissioner or agency head who determines a contract is exempt under subdivision 3 must report the exemption to the Commission of Deaf, Deafblind, and Hard-of-Hearing Minnesotans within three months of making the determination. The chair of the Commission of Deaf, Deafblind, and Hard-of-Hearing

Minnesotans shall submit a report to the chairs and ranking minority members of the committees in the house of representatives and senate with jurisdiction over state contracting by January 30 of even-numbered years beginning in 2020 identifying each exemption reported in the previous two calendar years.

EFFECTIVE DATE. (a) This section is effective the day following final enactment, and, except as provided in paragraph (b), applies to any project funded with an appropriation enacted after January 1, 2017.

(b) This section does not apply to a project that has completed schematic design on the effective date of this section, but the commissioner and agency heads are encouraged to comply with it.

Sec. 3. Minnesota Statutes 2016, section 84.946, subdivision 2, is amended to read:

Subd. 2. **Standards.** (a) An appropriation for asset preservation may be used only for a capital expenditure on a capital asset previously owned by the state, within the meaning of generally accepted accounting principles as applied to public expenditures. The commissioner of natural resources will consult with the commissioner of management and budget to the extent necessary to ensure this and will furnish the commissioner of management and budget a list of projects to be financed from the account in order of their priority. The legislature assumes that many projects for preservation and replacement of portions of existing capital assets will constitute betterments and capital improvements within the meaning of the Constitution and capital expenditures under generally accepted accounting principles, and will be financed more efficiently and economically under this section than by direct appropriations for specific projects.

(b) An appropriation for asset preservation must not be used to acquire land or to acquire or construct buildings or other facilities.

(c) Capital budget expenditures for natural resource asset preservation and replacement projects must be for one or more of the following types of capital projects that support the existing programmatic mission of the department: code compliance including health and safety, Americans with Disabilities Act requirements, hazardous material abatement, access improvement, or air quality improvement; building energy efficiency improvements using current best practices; building or infrastructure repairs necessary to preserve the interior and exterior of existing buildings; projects to remove life safety hazards such as building code violations or structural defects; or renovation of other existing improvements to land, including but not limited to trails and bridges.

(d) Up to ten percent of an appropriation awarded under this section may be used for design costs for projects eligible to be funded from this account in anticipation of future funding from the account.

Sec. 4. Minnesota Statutes 2016, section 85.34, subdivision 1, is amended to read:

Subdivision 1. **Upper bluff; lease terms.** The commissioner of natural resources with the approval of the Executive Council may lease for purposes of restoration, preservation, historical, recreational, educational, and commercial use and development, that portion of Fort Snelling State Park known as the upper bluff consisting of officer's row, area J, the polo grounds, the adjacent golf course, and all buildings and improvements located thereon, all lying within an area bounded by Minneapolis-St. Paul International Airport, Trunk Highways numbered 5 and 55, and Bloomington Road. The lease or leases shall be in a form approved by the attorney general and for a term of not to exceed 99 years. The lease or leases may provide for the provision of capital improvements or other performance by the tenant or tenants in lieu of all or some of the payments of rent that would otherwise be required. Notwithstanding the continuing ownership of the upper bluff by the state, any lease of one or more buildings improved with state general obligation bond proceeds that exceeds 50 years shall be treated as a sale of the buildings for purposes of section 16A.695, subdivision 3. Any disposition proceeds payable to the commissioner upon execution of a lease relating to state-bond-financed buildings at the upper bluff shall be applied according to section

16A.695, subdivision 3, and used to pay, redeem, or defease state general obligation bonds issued for purposes of improving those buildings. Any lease revenues paid to the commissioner subsequent to the payment, redemption, or defeasance of state general obligation bonds shall be used by the commissioner as further described in this section.

Sec. 5. Minnesota Statutes 2016, section 174.50, subdivision 5, is amended to read:

Subd. 5. **Certification and disbursal for project of political subdivision.** Before disbursement of an appropriation made from the fund to the commissioner of transportation for grants to subdivisions of the state, the commissioner ~~shall~~ must certify that:

(1) ~~that the project for which the grant is made has been reviewed as provided in subdivision 4;~~

~~(2) that~~ the project conforms to the program authorized by the appropriation law and rules adopted by the Department of Transportation consistent therewith; and

~~(3) that~~ (2) the financing of any estimated cost of the project in excess of the amount of the grant is assured by the appropriation of the proceeds of bonds or other funds of the subdivision, or by a grant from an agency of the federal government, within the amount of funds then appropriated to that agency and allocated by it to projects within the state, and by an irrevocable undertaking, in a resolution of the governing body of the subdivision, to use all funds so made available exclusively for the project, and to pay any additional amount by which the cost exceeds the estimate through appropriation to the construction fund of additional funds or the proceeds of additional bonds to be issued by the subdivision.

Sec. 6. Minnesota Statutes 2016, section 174.50, subdivision 6b, is amended to read:

Subd. 6b. **Bridge costs in smaller cities.** (a) The commissioner may make grants from the state transportation fund to a home rule or statutory city with a population of 5,000 or less for design, engineering, and construction of bridges on city streets.

~~(b) Grants under this subdivision are subject to the procedures and criteria established under subdivisions 5, 6, and 7.~~

~~(c)~~ (b) Grants may be used for:

(1) 100 percent of the design and engineering costs that are in excess of \$10,000;

(2) 100 percent of the bridge approach work costs that are in excess of \$10,000; and

(3) 100 percent of the bridge construction work costs.

Sec. 7. Minnesota Statutes 2016, section 174.50, subdivision 6c, is amended to read:

Subd. 6c. **Fracture-critical bridges.** ~~(a)~~ The commissioner may make a grant to any political subdivision for replacement or rehabilitation of a fracture-critical bridge. To be eligible for a grant under this subdivision, the project must produce a bridge structure:

(1) that is no longer classified as fracture critical, by having alternate load paths; and

(2) whose failure of a main component will not result in the collapse of the bridge.

~~(b) A grant under this subdivision is subject to the procedures and criteria established under subdivisions 5 and 6.~~

Sec. 8. Minnesota Statutes 2016, section 174.50, subdivision 7, is amended to read:

Subd. 7. **Bridge grant program; rulemaking.** (a) The commissioner of transportation shall develop rules, procedures for application for grants, conditions of grant administration, standards, and criteria as provided under subdivision 6, including bridge specifications, in cooperation with road authorities of political subdivisions, for use in the administration of funds appropriated to the commissioner and for the administration of grants to subdivisions. Grants under this section are subject to the procedures and criteria established in this subdivision and in subdivisions 5 and 6.

(b) The maximum use of standardized bridges is encouraged. Regardless of the size of the existing bridge, a bridge or replacement bridge is eligible for assistance from the state transportation fund if a hydrological survey indicates that the bridge or replacement bridge must be ten feet or more in length.

(c) As part of the standards or rules, the commissioner shall, in consultation with local road authorities, establish a minimum distance between any two bridges that cross over the same river, stream, or waterway, so that only one of the bridges is eligible for a grant under this section. As appropriate, the commissioner may establish exceptions from the minimum distance requirement or procedures for obtaining a variance.

(d) Political subdivisions may use grants made under this section to construct or reconstruct bridges, including but not limited to:

(1) matching federal aid grants to construct or reconstruct key bridges;

(2) paying the costs to abandon an existing bridge that is deficient and in need of replacement but where no replacement will be made; and

(3) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge if the commissioner determines that the bridge is deficient, and that construction of the road or street is more economical than replacement of the existing bridge.

(e) Funds appropriated to the commissioner from the Minnesota state transportation fund shall be segregated from the highway tax user distribution fund and other funds created by article XIV of the Minnesota Constitution.

(f) The commissioner is prohibited from awarding a grant under this section for a local bridge replacement or rehabilitation project with a total project cost estimate of \$7,000,000 or more.

(g) Notwithstanding paragraph (f), the commissioner may award a grant under this section for a portion of a local bridge replacement or rehabilitation project with a total project cost estimate of \$7,000,000 or more if every other local bridge replacement or rehabilitation project on the commissioner's priority list with a total project cost estimate of less than \$7,000,000 has been fully funded.

Sec. 9. **[219.016] HAZARDOUS MATERIALS RAIL SAFETY.**

Subdivision 1. **Program established.** A hazardous materials rail safety program is established for the purpose of reducing the risks associated with the transportation of oil, ethanol, and other hazardous material by rail.

Subd. 2. **Accounts established.** Two hazardous materials rail safety program accounts are created, one in the special revenue fund and one in the bond proceeds fund. The account in the special revenue fund consists of money as provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account. Money in each account is appropriated to the commissioner of transportation to make grants as provided in this section. Money in the accounts is available until spent, notwithstanding section 16A.28 or 16A.642.

Subd. 3. **Eligible applicant.** A county, statutory or home rule charter city, or town that is responsible for establishing and maintaining public highway-rail grade crossings on rail corridors transporting crude oil and other hazardous materials may apply to the commissioner for financial assistance under this section.

Subd. 4. **Eligible project.** (a) A project is eligible for a grant from the account in the bond proceeds fund if the project is for the acquisition or betterment of public land, buildings, and other public improvements of a capital nature within the meaning of the Minnesota Constitution, article XI, section 5, clause (a) or (i), including capital costs associated with hazardous materials rail safety projects on public highway-rail grade crossings. Qualifying capital costs include but are not limited to upgrades to existing protection systems, the closing of crossings and necessary roadwork, and reconstruction of at-grade crossings to full grade separations.

(b) A project is eligible for a grant from the account in the special revenue fund if it is for purposes described in paragraph (a) or other capital facility improvement purposes that support the purposes for which this grant program is established, including capital costs associated with planning, engineering, administration, and construction of public highway-rail grade crossing improvements on rail corridors transporting crude oil and other hazardous materials. Improvements may include upgrades to existing protection systems, the closing of crossings and necessary roadwork, and reconstruction of at-grade crossings to full grade separations.

Subd. 5. **Grants; criteria for grant award.** The commissioner must consider the following criteria to evaluate applications for a grant award under this section:

(1) whether the crossing was identified as a potential candidate for grade separation in the Department of Transportation's crude by rail grade crossing study (Improvements to Highway Grade Crossings and Rail Safety, December 2014);

(2) roadway traffic volumes and speeds;

(3) train volumes and speeds;

(4) adjacent land use;

(5) crash history;

(6) use of the crossing by emergency vehicles;

(7) use of the crossing by vehicles carrying hazardous materials; and

(8) local financial contributions to the project.

Subd. 6. **Process.** The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. An applicant must apply for a grant in the manner and at the times determined by the commissioner. The grant agreement must be approved by the commissioner of management and budget and is subject to cancellation under subdivision 7.

Subd. 7. **Grant cancellation.** If the commissioner determines that a grantee is unable to proceed with an approved project or has not expended or obligated the grant money within four years of entering into the grant agreement with the commissioner, the commissioner must cancel the grant. Money canceled under this subdivision is available for the commissioner to make other grants under this section.

Sec. 10. Minnesota Statutes 2016, section 446A.072, is amended to read:

446A.072 WASTEWATER WATER INFRASTRUCTURE FUNDING PROGRAM.

Subdivision 1. **Establishment of program.** The authority will establish a ~~wastewater~~ water infrastructure funding program to provide supplemental assistance to governmental units receiving funding through the clean water revolving fund program, the drinking water revolving fund program, or the United States Department of Agriculture Rural Economic and Community Development's (USDA/RECD) Water and Waste Disposal Loans and Grants program for the predesign, design, and construction of municipal wastewater ~~treatment and drinking water~~ systems, including purchase of land and easements. The purpose of the program is to assist governmental units demonstrating financial need to build cost-effective projects to address existing environmental or public health problems. To implement the program, the authority shall establish a ~~wastewater~~ water infrastructure fund to provide grants ~~and loans~~ for the purposes authorized under title VI of the Federal Water Pollution Control Act and the federal Safe Drinking Water Act. The fund shall be credited with all investment income from the fund and all repayments of loans, grants, and penalties.

Subd. 3. **Program administration.** (a) The authority shall provide supplemental assistance, as provided in subdivision 5a to governmental units:

(1) whose projects are listed on the Pollution Control Agency's project priority list or the Department of Health's project priority list;

(2) that demonstrate their projects are a cost-effective solution to an existing environmental or public health problem; and

(3) whose projects are approved by the USDA/RECD or certified by the commissioner of the Pollution Control Agency or the Department of Health.

(b) For a governmental unit receiving grant funding from the USDA/RECD, applications must be made to the USDA/RECD with additional information submitted to the authority as required by the authority. Eligible project costs and affordability criteria shall be determined by the USDA/RECD.

(c) For a governmental unit not receiving grant funding from the USDA/RECD, application must be made to the authority on forms prescribed by the authority for the clean water revolving fund program or the drinking water revolving fund program with additional information as required by the authority. In accordance with section 116.182, the Pollution Control Agency or Department of Health shall:

(1) calculate the essential project component percentage based on the portion of project costs necessary to convey or treat the existing wastewater flows and loadings or, for drinking water projects, to provide safe drinking water to meet existing needs, which must be multiplied by the total project cost to determine the eligible project cost for the program under this section; and

(2) review and certify approved projects to the authority.

(d) Each fiscal year the authority shall make funds available for projects based on their ranking on the Pollution Control Agency's project priority list or the Department of Health's project priority list. The authority shall reserve funds for a project when the applicant receives a funding commitment from the United States Department of Agriculture Rural Development (USDA/RECD) or ~~submits plans and specifications to the project~~ is certified by the Pollution Control Agency or Department of Health. Funds must be reserved in an amount based on the project cost estimate submitted to the authority ~~prior to the appropriation of the funds and awarded based on the lesser of that amount or the as-bid cost~~ when the project is certified or the as-bid cost, whichever is less.

Subd. 5a. **Type and amount of assistance.** (a) For a governmental unit receiving grant funding from the USDA/RECD, the authority may provide assistance in the form of a grant of up to 65 percent of the eligible grant need determined by USDA/RECD. A governmental unit may not receive a grant under this paragraph for more than ~~\$4,000,000~~ \$5,000,000 per project or ~~\$15,000~~ \$20,000 per existing connection, whichever is less, unless specifically approved by law.

(b) For a governmental unit receiving a loan from the clean water revolving fund under section 446A.07, the authority may provide assistance under this section in the form of a grant if the average annual residential wastewater system cost after completion of the project would otherwise exceed 1.4 percent of the median household income of the project service area. In determining whether the average annual residential wastewater system cost would exceed 1.4 percent, the authority must consider the total costs associated with building, operating, and maintaining the wastewater system, including existing wastewater debt service, debt service on the eligible project cost, and operation and maintenance costs. Debt service costs for the proposed project are calculated based on the maximum loan term permitted for the clean water revolving fund loan under section 446A.07, subdivision 7. The amount of the grant is equal to 80 percent of the amount needed to reduce the average annual residential wastewater system cost to 1.4 percent of median household income in the project service area, to a maximum of ~~\$4,000,000~~ \$5,000,000 per project or ~~\$15,000~~ \$20,000 per existing connection, whichever is less, unless specifically approved by law. The eligible project cost is determined by multiplying the total project costs minus any other grants by the essential project component percentage calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the grant exceed 80 percent of the eligible project cost.

(c) For a governmental unit receiving a loan from the drinking water revolving fund under section 446A.081, the authority may provide assistance under this section in the form of a grant if the average annual residential drinking water system cost after completion of the project would otherwise exceed 1.2 percent of the median household income of the project service area. In determining whether the average annual residential drinking water system cost would exceed 1.2 percent, the authority must consider the total costs associated with building, operating, and maintaining the drinking water system, including existing drinking water debt service, debt service on the eligible project cost, and operation and maintenance costs. Debt service costs for the proposed project are calculated based on the maximum loan term permitted for the drinking water revolving fund loan under section 446A.081, subdivision 8, paragraph (c). The amount of the grant is equal to 80 percent of the amount needed to reduce the average annual residential drinking water system cost to 1.2 percent of median household income in the project service area, to a maximum of \$5,000,000 per project or \$20,000 per existing connection, whichever is less, unless specifically approved by law. The eligible project cost is determined by multiplying the total project costs minus any other grants by the essential project component percentage calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the grant exceed 80 percent of the eligible project cost.

(e) ~~(d)~~ Notwithstanding the limits in paragraphs (a) ~~and~~ (b), ~~and~~ (c), for a governmental unit receiving supplemental assistance under this section after January 1, 2002, if the authority determines that the governmental unit's construction and installation costs are significantly increased due to geological conditions of crystalline bedrock or karst areas and discharge limits that are more stringent than secondary treatment, the maximum award under this section shall not be more than \$25,000 per existing connection.

~~Subd. 5b. **Special assessment deferral.** A governmental unit receiving a loan under subdivision 5a that levies special assessments to repay the loan under subdivision 5a or section 446A.07 may defer payment of such assessments under the provisions of sections 435.193 to 435.195.~~

Subd. 6. **Disbursements.** Disbursements of grants ~~or loans~~ awarded under this section by the authority to recipients must be made for eligible project costs as incurred by the recipients, and must be made by the authority in accordance with the project financing agreement and applicable state and federal laws and rules governing the payments.

~~Subd. 7. **Loan repayments.** Notwithstanding the limitations set forth in section 475.54, subdivision 1, this subdivision shall govern the maturities and mandatory sinking fund redemptions of the loans under this section. A governmental unit receiving a loan under this section shall repay the loan in semiannual payment amounts determined by the authority. The payment amount must be based on the average payments on the governmental unit's clean water revolving fund loan or, if greater, the minimum amount required to fully repay the loan by the maturity date. Payments must begin within one year of the date of the governmental unit's final payment on the clean water revolving fund loan. The final maturity date of the loan under this section must be no later than 20 years from the date of the first payment on the loan under this section and no later than 40 years from the date of the first payment on the clean water revolving fund loan.~~

Subd. 8. **Eligibility.** A governmental unit is eligible for assistance under this section only after applying for grant funding from other sources and funding has been obtained, rejected, or the authority has determined that the potential funding is unlikely.

Subd. 9. **Funding limitation.** Supplemental assistance may not be used to reduce the ~~sewer~~ service charges of a significant ~~wastewater contributor~~ industrial user that has a separate service charge agreement with the recipient, or a single user that has caused the need for the project or whose current or projected ~~flow and load exceed usage~~ exceeds one-half of the current wastewater ~~treatment plant's~~ or drinking water system capacity.

Subd. 11. **Report on needs.** By February 1 of each even-numbered year, the authority, in conjunction with the Pollution Control Agency and the Department of Health, shall prepare a report to the Finance Division of the senate Environment and Natural Resources Committee and the house of representatives Environment and Natural Resources Finance Committee on wastewater and drinking water funding assistance needs of governmental units under this section.

Subd. 12. **System replacement fund.** Each governmental unit receiving a ~~loan or grant~~ under this section shall establish a system replacement fund and shall annually deposit a minimum of \$.50 per 1,000 gallons of flow for major rehabilitation ~~or expansion, or replacement~~ of the treatment wastewater or drinking water system, or replacement of the treatment system at the end of its useful life. Money must remain in the account for the life of the corresponding project loan from the authority or USDA/RECD, unless use of the fund is approved in writing by the authority for major rehabilitation, expansion, or replacement of the ~~treatment wastewater or drinking water~~ system. By March 1 each year during the life of the loan, each recipient shall submit a report to the authority regarding the amount deposited and the fund balance for the prior calendar year. A recipient is not required to maintain a fund balance greater than the amount of the grant received. Failure to comply with the requirements of this subdivision shall result in the authority assessing a penalty fee to the recipient equal to one percent of the supplemental assistance amount for each year of noncompliance. ~~Failure to make the required deposit or pay the penalty fee as required constitutes a default on the loan.~~

Subd. 14. **Consistency with land use plans.** A governmental unit applying for a project in an unsewered area shall include in its application to the authority a certification from the county in which the project is located that:

- (1) the project is consistent with the county comprehensive land use plan, if the county has adopted one;
- (2) the project is consistent with the county water plan, if the county has adopted one; and
- (3) the county has adopted specific land use ordinances or controls so as to meet or exceed the requirements of Minnesota Rules, part 7082.0050.

Sec. 11. Minnesota Statutes 2016, section 446A.073, is amended to read:

446A.073 POINT SOURCE IMPLEMENTATION GRANTS.

Subdivision 1. **Program established.** When money is appropriated for grants under this program, the authority shall award grants up to a maximum of ~~\$3,000,000~~ \$7,000,000 to governmental units to cover ~~up to one-half~~ 80 percent of the cost of water infrastructure projects made necessary by:

(1) a wasteload reduction prescribed under a total maximum daily load plan required by section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313(d);

(2) a phosphorus concentration or mass limit which requires discharging one milligram per liter or less at permitted design flow which is incorporated into a permit issued by the Pollution Control Agency;

(3) any other water quality-based effluent limit established under section 115.03, subdivision 1, paragraph (e), clause (8), and incorporated into a permit issued by the Pollution Control Agency that exceeds secondary treatment limits; or

(4) a total nitrogen concentration or mass limit of that requires discharging ten milligrams per liter or less ~~for a land-based treatment system at permitted design flow.~~

Subd. 2. **Grant application.** Application for a grant must be made to the authority on forms prescribed by the authority ~~for the total maximum daily load grant program, with additional information as required by the authority, including a project schedule and cost estimate for the work necessary to comply with the point source wasteload allocation requirements listed in subdivision 1.~~ The Pollution Control Agency shall:

(1) ~~in accordance with section 116.182, calculate the essential project component percentage, which must be multiplied by the total project cost to determine the eligible project cost; and~~

(2) ~~review and certify to the authority those projects that have plans and specifications approved under section 115.03, subdivision 1, paragraph (f).~~

Subd. 3. **Project priorities.** ~~When money is appropriated for grants under this program,~~ The authority shall accept applications under this program during the month of July and. When a project is certified by the Pollution Control Agency the authority shall reserve money for projects expected to proceed with construction by the end of the fiscal year the project in the order listed on the Pollution Control Agency's project priority list and in an amount based on the cost estimate submitted to the authority ~~in the grant application~~ when the project is certified or the as-bid costs, whichever is less. Notwithstanding Minnesota Rules, chapter 7077, the Pollution Control Agency may rank a drinking water infrastructure project on the agency's project priority list if the project is necessary to meet an applicable requirement in subdivision 1.

Subd. 4. **Grant approval.** The authority must make a grant for an eligible project only after:

(1) the applicant has submitted the as-bid cost for the water infrastructure project;

(2) the Pollution Control Agency has ~~approved the as-bid costs and~~ certified the grant eligible portion of the project; and

(3) the authority has determined that the additional financing necessary to complete the project has been committed from other sources.

Subd. 5. **Grant disbursement.** Disbursement of a grant must be made for eligible project costs as incurred by the governmental unit and in accordance with a project financing agreement and applicable state and federal laws and rules governing the payments.

Sec. 12. Minnesota Statutes 2016, section 446A.081, subdivision 9, is amended to read:

Subd. 9. **Other uses of fund.** (a) The drinking water revolving loan fund may be used as provided in the act, including the following uses:

(1) to buy or refinance the debt obligations, at or below market rates, of public water systems for drinking water systems, where the debt was incurred after the date of enactment of the act, for the purposes of construction of the necessary improvements to comply with the national primary drinking water regulations under the federal Safe Drinking Water Act;

(2) to purchase or guarantee insurance for local obligations to improve credit market access or reduce interest rates;

(3) to provide a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the authority if the bond proceeds are deposited in the fund;

(4) to provide loans or loan guarantees for similar revolving funds established by a governmental unit or state agency;

(5) to earn interest on fund accounts;

(6) to pay the reasonable costs incurred by the authority, the Department of Employment and Economic Development, and the Department of Health for conducting activities as authorized and required under the act up to the limits authorized under the act;

(7) to develop and administer programs for water system supervision, source water protection, and related programs required under the act;

(8) notwithstanding Minnesota Rules, part 7380.0280, to provide principal forgiveness or grants to the extent permitted under the federal Safe Drinking Water Act and other federal law, based on the criteria and requirements established for drinking water projects under the water infrastructure funding program under section 446A.072;

(9) to provide loans, principal forgiveness or grants to the extent permitted under the federal Safe Drinking Water Act and other federal law to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities; and

(10) to provide principal forgiveness, or grants for 50 percent of the project cost up to a maximum of \$10,000 for projects needed to comply with national primary drinking water standards for an existing community or noncommunity public water system.

~~(b) Principal forgiveness or grants under paragraph (a), clause (8), must only be provided if the average annual residential drinking water system cost after completion of the project would otherwise exceed 1.2 percent of the median household income in the project service area. In determining whether the average annual residential drinking water system cost would exceed 1.2 percent, the authority must consider the total costs associated with building, operating, and maintaining the drinking water system, including debt service and operation and maintenance costs. Debt service costs for the proposed project must be calculated based on the maximum loan term permitted for the drinking water revolving fund loan under this section. The amount of the principal forgiveness or~~

~~grant must be equal to 80 percent of the amount needed to reduce the average annual residential drinking water system cost to 1.2 percent of median household income in the project service area, to a maximum of \$4,000,000 or \$15,000 per connection, whichever is less, and not to exceed 80 percent of the total project cost.~~

(e) ~~(b)~~ Principal forgiveness or grants provided under paragraph (a), clause (9), may not exceed 25 percent of the eligible project costs as determined by the Department of Health for project components directly related to green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities, up to a maximum of \$1,000,000.

~~(d) The authority may reduce the percentage of median household income at which a loan term could extend to 30 years under subdivision 8, paragraph (c), and at which principal forgiveness or grants could be provided under paragraph (b) if it determines that the federal money allotted to the state cannot be fully utilized without the reduction. If it determines that the reduction is necessary to fully utilize the federal money, the authority must effect the change through its approval of the annual intended use plan.~~

Sec. 13. Minnesota Statutes 2016, section 446A.12, subdivision 1, is amended to read:

Subdivision 1. **Bonding authority.** The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers, but not including the making of grants. Bonds of the authority may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and outstanding under this section at any time may not exceed ~~\$1,500,000,000~~ \$2,000,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued, and excluding any bonds issued for the credit enhanced bond program or refunding or crossover refunding bonds issued under the program. The principal amount of bonds issued and outstanding under section 446A.087, may not exceed \$500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued.

Sec. 14. Minnesota Statutes 2016, section 462A.37, subdivision 2a, is amended to read:

Subd. 2a. **Additional authorization.** In addition to the amount authorized in subdivision 2, the agency may issue up to ~~\$80,000,000~~ \$95,000,000 of housing infrastructure bonds in one or more series to which the payments made under this section may be pledged.

Sec. 15. Minnesota Statutes 2016, section 462A.37, subdivision 2b, is amended to read:

Subd. 2b. **Additional authorization.** In addition to the amount authorized in subdivisions 2 and 2a, the agency may issue up to ~~\$10,000,000~~ \$15,000,000 of housing infrastructure bonds in one or more series to which the payments made under this section may be pledged.

Sec. 16. Minnesota Statutes 2016, section 462A.37, is amended by adding a subdivision to read:

Subd. 2c. **Additional authorization.** In addition to the amount authorized in subdivisions 2, 2a, and 2b, the agency may issue up to \$35,000,000 in housing infrastructure bonds in one or more series to which the payments under this section may be pledged.

Sec. 17. Minnesota Statutes 2016, section 462A.37, subdivision 5, is amended to read:

Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under subdivisions 2a ~~and~~ 2b, and 2c.

(b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure bonds issued under subdivision 2a remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure bonds issued under subdivision 2b remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(d) Each July 15, beginning in 2018 and through 2039, if any housing infrastructure bonds issued under subdivision 2c remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$1,250,000 in fiscal year 2018 and \$2,800,000 annually thereafter. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(e) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

Sec. 18. Laws 2006, chapter 258, section 18, subdivision 6, as amended by Laws 2013, chapter 136, section 13, is amended to read:

Subd. 6. **Systemwide Redevelopment, Reuse, or Demolition**

5,000,000

To abate hazardous materials, design, construct, or improve basic infrastructure, including sanitary and storm sewer and water lines, public streets, curb, gutter, street lights, or sidewalks, to make improvements for building envelope and structural integrity for the purposes of stabilizing the buildings for sale, demolish all or portions of surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional, or deteriorated facilities and infrastructure to facilitate redevelopment of Department of Human Services campuses that the commissioner of administration is authorized to convey to a local unit of government under Laws 2005, chapter 20, article 1, section 46, or other law. These projects must facilitate the redevelopment or reuse of these campuses and must be implemented consistent with the comprehensive redevelopment plans developed and approved under Laws 2003, First Special Session chapter 14, article 6, section 64, subdivision 2, unless expressly provided otherwise. If a surplus campus is sold or transferred to a local unit of government, unspent portions of this appropriation may be granted to that local unit of government for the purposes stated in this

subdivision. Notwithstanding the inclusion of the unencumbered and unobligated balance of the bond sale authorization and appropriation of bond proceeds in this subdivision in the report submitted to the legislature in January 2017 pursuant to Minnesota Statutes, section 16A.642, the unencumbered and obligated balance of the bond sale authorization and appropriation of bond proceeds in this subdivision are, estimated to be \$1,991,456.32, is reauthorized and available until December 31, 2016 2020.

Sec. 19. Laws 2012, chapter 293, section 7, subdivision 3, is amended to read:

Subd. 3. **Dam Repair, Reconstruction, and Removal** 3,000,000

To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515. Notwithstanding the match requirements in Minnesota Statutes, section 103G.511, a grant to the city of Lanesboro does not require any nonstate match.

Sec. 20. Laws 2012, chapter 293, section 17, subdivision 4, is amended to read:

Subd. 4. **Phillips Community Center** 1,750,000

For a grant to the Minneapolis Park and Recreation Board to predesign, design, engineer, reconstruct, renovate, furnish, and equip the Phillips Community Center indoor competitive swimming pool and to predesign, design, engineer, and construct an additional indoor multipurpose family pool and facilities associated with an aquatic center in the community center, subject to Minnesota Statutes, section 16A.695.

This appropriation is not available until the commissioner determines that at least \$350,000 is committed from nonstate sources.

Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project are available until December 31, 2022.

Sec. 21. Laws 2014, chapter 294, article 1, section 17, subdivision 12, is amended to read:

Subd. 12. **West St. Paul - ~~North Urban~~ River to River Regional Trail Bridge Greenway** 2,000,000

For a grant to the city of West St. Paul to predesign, design, and construct a ~~pedestrian bridge for the North Urban Regional Trail as an overpass~~ grade separated crossing of Robert Street in the area near Wentworth Avenue in West St. Paul ~~for the River to River Regional Greenway~~. This appropriation may also be used to acquire property or purchase rights-of-way needed for ~~bridge~~ construction. A nonstate match is not required.

Sec. 22. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 3, is amended to read:

Subd. 3. **Local Road Improvement Fund Grants** 8,910,000

(a) From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

(b) This appropriation includes \$850,000 for a grant to the city of Sandstone for predesign, design, engineering, and construction of a road extending south off of marked Trunk Highway 23 across from Lundorff Drive to the airport area, and including a bridge over Skunk Creek in Sandstone, in order to facilitate repurposing of an area of the airport into a business park. This appropriation is not available until the commissioner of management and budget determines that sufficient resources to complete the project are committed to it from other sources, including any funds made available from the commissioner of transportation.

(c) This appropriation includes \$3,770,000 for a grant to Kandiyohi County for construction and reconstruction of local roads ~~to facilitate the construction of highway rail grade separations at U.S. Highway 12 and Minnesota Highway 40 as part of~~ in conjunction with the Willmar Wye project as well as to re-establish the local road network on the southwest side of Willmar.

Sec. 23. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 7, is amended to read:

Subd. 7. **Richfield - 77th Street Underpass** 10,000,000

For a grant to the city of Richfield for right-of-way acquisition ~~and construction of~~ for an extension of 77th Street under marked Trunk Highway 77/Cedar Avenue in the city of Richfield to provide local and regional access between Richfield, the Minneapolis/St. Paul International Airport, the city of Bloomington, and the Mall of America. After right-of-way acquisition is completed, the city may use any remaining money appropriated in this subdivision for construction of the extension. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for the project in this subdivision are available until December 31, 2021.

Sec. 24. **NATIONAL SPORTS CENTER; LEASE.**

Notwithstanding Minnesota Statutes, sections 16A.695, 16B.24, and 240A.03, subdivision 6, the Minnesota Amateur Sports Commission may lease for educational purposes that portion of property described as a portion of the property acquired by the commission pursuant to Laws 1987, chapter 400, section 8, subdivision 3, not currently

needed for amateur sports purposes to Independent School District No. 16, Spring Lake Park. The lease shall be in a form approved by the attorney general and for a term not to exceed 99 years. The lease may provide for the provision of capital improvements or other performance by the tenant in lieu of all or some of the payments of rent that would otherwise be required. Any lease revenues paid to the commission are appropriated to the commission.

Sec. 25. **REVISOR'S INSTRUCTION.**

In Minnesota Statutes, the revisor of statutes shall replace references to Minnesota Statutes, section 123A.446, with Minnesota Statutes, section 123A.445.

Sec. 26. **REPEALER.**

Minnesota Statutes 2016, section 123A.446, is repealed.

Sec. 27. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; modifying previous appropriations; establishing new programs and modifying existing programs; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2016, sections 16A.967; 84.946, subdivision 2; 85.34, subdivision 1; 174.50, subdivisions 5, 6b, 6c, 7; 446A.072; 446A.073; 446A.081, subdivision 9; 446A.12, subdivision 1; 462A.37, subdivisions 2a, 2b, 5, by adding a subdivision; Laws 2006, chapter 258, section 18, subdivision 6, as amended; Laws 2012, chapter 293, sections 7, subdivision 3; 17, subdivision 4; Laws 2014, chapter 294, article 1, section 17, subdivision 12; Laws 2015, First Special Session chapter 5, article 1, section 10, subdivisions 3, 7; proposing coding for new law in Minnesota Statutes, chapters 16C; 219; repealing Minnesota Statutes 2016, section 123A.446."

The motion prevailed and the amendment was adopted.

MOTION FOR RECONSIDERATION

Urdahl moved that the vote whereby the Urdahl amendment to H. F. No. 575 was adopted be now reconsidered. The motion prevailed.

The Urdahl amendment to H. F. No. 575 was again reported to the House.

Urdahl moved to amend the Urdahl amendment to H. F. No. 575 as follows:

Page 26, line 14, delete "42,272,000" and insert "45,272,000"

The motion prevailed and the amendment to the amendment was adopted.

Garofalo moved to amend the Urdahl amendment, as amended, to H. F. No. 575 as follows:

Page 26, after line 24, insert:

"Of this amount, \$1,600,000 is for a grant to the city of Thief River Falls to support utility extensions, roads, and other public improvements related to the construction of a wholesale electronic component distribution center at least 700,000 square feet in size and investing a minimum of \$200,000,000. Notwithstanding Minnesota Statutes, section 116J.431, a local match is not required."

The motion prevailed and the amendment to the amendment, as amended, was adopted.

The question recurred on the Urdahl amendment, as amended, to H. F. No. 575. The motion prevailed and the amendment, as amended, was adopted.

Hortman and Kunesh-Podein were excused for the remainder of today's session.

The Speaker called Davids to the Chair.

H. F. No. 575, A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; modifying previous appropriations; establishing new programs and modifying existing programs; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2016, sections 16A.967; 84.946, subdivision 2; 85.34, subdivision 1; 174.50, subdivisions 5, 6b, 6c, 7; 446A.072; 446A.073; 446A.081, subdivision 9; 446A.12, subdivision 1; 462A.37, subdivisions 2a, 2b, 5, by adding a subdivision; Laws 2006, chapter 258, section 18, subdivision 6, as amended; Laws 2012, chapter 293, sections 7, subdivision 3; 17, subdivision 4; Laws 2014, chapter 294, article 1, section 17, subdivision 12; Laws 2015, First Special Session chapter 5, article 1, section 10, subdivisions 3, 7; proposing coding for new law in Minnesota Statutes, chapters 16C; 219; repealing Minnesota Statutes 2016, section 123A.446.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 70 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Albright	Bennett	Dettmer	Grossell	Howe	Koznick
Anderson, P.	Bliss	Erickson	Gruenhagen	Jessup	Kresha
Anderson, S.	Christensen	Fabian	Gunther	Johnson, B.	Layman
Anselmo	Cornish	Fenton	Haley	Johnson, C.	Lien
Backer	Daniels	Franke	Hamilton	Jurgens	Lohmer
Baker	Davids	Franson	Heintzeman	Kiel	Loonan
Barr, R.	Dean, M.	Garofalo	Hoppe	Knoblach	Lueck

Marquart	O'Neill	Poston	Scott	Uglem	Wills
McDonald	Peppin	Quam	Smith	Urdahl	Zerwas
Neu	Petersburg	Rarick	Swedzinski	Vogel	Spk. Daudt
Nornes	Peterson	Runbeck	Theis	West	
O'Driscoll	Pierson	Schomacker	Torkelson	Whelan	

Those who voted in the negative were:

Allen	Dehn, R.	Hilstrom	Mahoney	Newberger	Schultz
Applebaum	Drazkowski	Hornstein	Mariani	Olson	Slocum
Bahr, C.	Ecklund	Johnson, S.	Masin	Omar	Sundin
Becker-Finn	Fischer	Koegel	Maye Quade	Pelowski	Thissen
Bernardy	Flanagan	Lee	Metsa	Pinto	Wagenius
Bly	Freiberg	Lesch	Miller	Poppe	Ward
Carlson, A.	Green	Liebling	Moran	Pryor	Youakim
Carlson, L.	Halverson	Lillie	Murphy, E.	Pugh	
Clark	Hansen	Loeffler	Murphy, M.	Rosenthal	
Considine	Hausman	Loon	Nash	Sandstede	
Davnie	Hertaus	Lucero	Nelson	Sauke	

Not having received the constitutionally required three-fifths vote, the bill, as amended, was not passed.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Peppin from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Friday, May 19, 2017 and established a prefiling requirement for amendments offered to the following bills:

S. F. Nos. 359 and 1564.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2047, A bill for an act relating to health; requiring the commissioner of health to develop a comprehensive strategic plan to end HIV/AIDS.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 740, A bill for an act relating to commerce; regulating motor vehicle franchises; specifying warranty and recall obligations; providing unfair practices by manufacturers, distributors, and factory branches; amending Minnesota Statutes 2016, sections 80E.11, subdivision 7; 80E.13; 80E.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 80E; repealing Minnesota Statutes 2016, section 80E.04.

CAL R. LUDEMAN, Secretary of the Senate

Vogel moved that the House refuse to concur in the Senate amendments to H. F. No. 740, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1443, A bill for an act relating to commerce; regulating insurance fraud; modifying certain penalties and notices; defining a term; clarifying the authority of the Commerce Fraud Bureau to apply for or execute search warrants; amending Minnesota Statutes 2016, sections 13.82, subdivision 17; 45.0135, subdivision 9; 60A.27, subdivision 1; 65B.84, by adding a subdivision; 626.05, subdivision 2.

CAL R. LUDEMAN, Secretary of the Senate

Pierson moved that the House refuse to concur in the Senate amendments to H. F. No. 1443, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1717, A bill for an act relating to agriculture; making policy and technical changes to various agriculture-related provisions and programs; reorganizing dairy law; making conforming changes; modifying the Farmer-Lender Mediation Act; temporarily modifying nuisance liability; making changes to partition fence law; modifying cottage food exemption; amending Minnesota Statutes 2016, sections 13.6435, subdivision 8; 15.985; 17.984, subdivision 1; 18B.01, by adding subdivisions; 18B.26, subdivision 1; 18B.28, subdivisions 1, 3; 18B.37, subdivision 3; 18C.70, subdivision 5; 18C.71, subdivision 4; 18H.06, subdivision 2; 18H.07, subdivisions 2, 3; 21.111, subdivisions 2, 3; 21.113; 21.117; 25.32; 25.33, subdivisions 5, 10, 21; 25.341, subdivisions 1, 2; 25.35; 25.371, subdivision 2; 25.38; 25.39, subdivisions 1, 1a, 2, 3; 25.40, subdivision 2; 25.41, subdivisions 1, 2, 3, 5, 7a; 25.42; 27.04; 28A.03, by adding a subdivision; 28A.05; 28A.085, subdivision 1; 28A.152, subdivision 2; 28A.21, subdivision 6; 31A.02, subdivision 4; 32C.02, subdivision 2; 32C.06; 34A.01, subdivision 1; 41B.03, subdivisions 2, 3;

41B.043, subdivision 5; 41B.045, subdivision 2; 41C.02, subdivision 12; 116V.01, subdivisions 2, 3, 4, 7, 10, 11, 13, 14; 223.17, subdivision 8; 232.22, subdivision 7; 336.9-601; 344.03, subdivision 1; 550.365, subdivision 1; 559.209, subdivision 1; 582.039, subdivision 1; 583.215; 583.24, subdivision 4, by adding a subdivision; 583.26, subdivisions 2, 3, 3a, 4, 10; 583.27, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 32D; repealing Minnesota Statutes 2016, sections 18B.01, subdivisions 10a, 10b, 22a; 18B.285; 25.371, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15; 32.01, subdivisions 1, 2, 6, 8, 9, 10, 11, 12; 32.021; 32.071; 32.072; 32.073; 32.074; 32.075; 32.076; 32.078; 32.10; 32.102; 32.103; 32.105; 32.106; 32.21; 32.212; 32.22; 32.25; 32.391, subdivisions 1, 1d, 1e, 1f, 1g, 2, 3; 32.392; 32.393; 32.394, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 8a, 8b, 8c, 8d, 8e, 9, 11, 12; 32.395; 32.397; 32.398, subdivision 1; 32.401, subdivisions 1, 2, 3, 5; 32.415; 32.416; 32.475; 32.481, subdivision 1; 32.482; 32.483; 32.484; 32.486; 32.55, subdivisions 1, 2, 3, 4, 5, 12, 13, 14; 32.555; 32.56; 32.61; 32.62; 32.63; 32.64; 32.645; 32.70; 32.71; 32.72; 32.74; 32.745; 32.75; 32.90; 41D.01, subdivision 4; 383C.809; 583.22, subdivision 7b.

CAL R. LUDEMAN, Secretary of the Senate

Anderson, P., moved that the House refuse to concur in the Senate amendments to H. F. No. 1717, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 943, A bill for an act relating to higher education; appropriating money for an education debt relief grant; requiring a report.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Fischbach; Draheim; Anderson, P.; Jensen and Clausen.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

CAL R. LUDEMAN, Secretary of the Senate

Nornes moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 943. The motion prevailed.

Mr. Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 1456, A bill for an act relating to economic development; temporarily modifying the restrictions on use of Minnesota investment fund local government loan repayment funds.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Miller; Dahms; Osmek; Anderson, P., and Champion.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

CAL R. LUDEMAN, Secretary of the Senate

Garofalo moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1456. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 740:

Vogel, Hoppe, Loonan, Kresha and Halverson.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1443:

Loonan, Haley and Hilstrom.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1545:

Hamilton; Anderson, P.; Backer; Lueck and Poppe.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1717:

Anderson, P.; Hamilton and Johnson, C.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 799:

Dean, M.; Schomacker; Albright; Kiel and Schultz.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 844:

Fabian, Uglem, Heintzeman, Swedzinski and Ecklund.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 943:

Nornes, Christensen, Whelan, Daniels and Omar.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1456:

Garofalo, Newberger, O'Neill, Hoppe and Mahoney.

There being no objection, the order of business reverted to Reports of Standing Committees and Divisions.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Peppin from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 739, A bill for an act relating to telecommunications; providing for collocation of small wireless facilities; amending Minnesota Statutes 2016, sections 237.162, subdivisions 2, 4, 9, by adding subdivisions; 237.163, subdivisions 2, 4, 6, 7, by adding subdivisions.

Reported the same back with the recommendation that the bill be placed on the General Register.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 739 was read for the second time.

MOTIONS AND RESOLUTIONS

Nelson moved that his name be stricken as an author on H. F. No. 729. The motion prevailed.

Rosenthal moved that the name of Flanagan be added as an author on H. F. No. 2672. The motion prevailed.

Hansen moved that the name of Peterson be added as an author on H. F. No. 2673. The motion prevailed.

ADJOURNMENT

Kresha moved that when the House adjourns today it adjourn until 10:00 a.m., Thursday, May 18, 2017. The motion prevailed.

Kresha moved that the House adjourn. The motion prevailed, and Speaker pro tempore Davids declared the House stands adjourned until 10:00 a.m., Thursday, May 18, 2017.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

